

SENATE.

TUESDAY, December 23, 1913.

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Thanks be unto God for his unspeakable gifts. Along the track of the years there lingers the sweet music of an angel song, and its blessed ministry has never died out of the human heart. It has come at this time into the lives of little children and speaks with its blessed message of hope to the heart of our common humanity. It has come with its refining influence into the Christian home. We bless God that it inspires us all to a likeness to Him, who gave Himself that we might be rich.

We bless God to-day that with the recurring seasons the message comes back to us from Thee, unfolding Thy glory, inspiring us with the ideals of the life of a perfect manhood, giving to us a spirit of helpfulness and brotherliness.

We pray that the spirit of the Christmas time may enter into the hearts of these Thy servants, inspiring, enlightening, cheering them in the discharge of all their sacred obligations. We ask for Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Gronna	Myers	Shively
Bristow	Hollis	Nelson	Simmons
Bryan	James	Overman	Smith, S. C.
Burton	Johnson	Owen	Smoot
Catron	Jones	Page	Sutherland
Chamberlain	Kenyon	Perkins	Thomas
Clapp	La Follette	Rensdell	Thompson
Clark, Wyo.	Lane	Robinson	Townsend
Dillingham	Lea	Shafroth	Warren
Gallinger	Martin, Va.	Sheppard	Weeks
Goff	Martine, N. J.	Sherman	Works

Mr. BRYAN. My colleague [Mr. FLETCHER] is unavoidably absent. He is paired with the Senator from Wyoming [Mr. WARREN].

Mr. MARTINE of New Jersey. My colleague [Mr. HUGHES] is absent on official business.

Mr. RANSDELL. The senior Senator from Louisiana [Mr. THORNTON] is unavoidably absent. I ask that this announcement may stand for the day. He is paired with the Senator from South Dakota [Mr. STERLING].

Mr. WEEKS. I wish to state that my colleague [Mr. LODGE] is absent on account of illness. This statement may stand for the day.

Mr. GALLINGER. I desire to announce that the junior Senator from Maine [Mr. BURLEIGH] is absent on account of illness.

The VICE PRESIDENT. Forty-four Senators are present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. REED and Mr. SMITH of Georgia answered to their names when called.

Mr. KERN and Mr. POMERENE entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had agreed to the concurrent resolution of the Senate (S. Con. Res. 12) providing for the printing of 80,000 copies of the Federal reserve act in pamphlet form, etc., with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 11003) to provide for expenses of representatives of the United States at the International Maritime Conference for Safety of Life at Sea, and it was thereupon signed by the Vice President.

CONFERENCE REPORT—BANKING AND CURRENCY.

The VICE PRESIDENT. In accordance with the unanimous consent agreement, the Chair lays before the Senate the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective

supervision of banking in the United States, and for other purposes.

Mr. GALLINGER. Mr. President, ordinarily a conference report ought to be read, but I ask unanimous consent in this case that the reading of the report be dispensed with, as it is in print.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the reading of the report is dispensed with.

Mr. BRISTOW. Mr. President, the conferees who participated in the conference on this bill have made certain changes in the bill, some of which I think are bad.

Mr. LA FOLLETTE. Mr. President, would it disturb the Senator if I should ask him a question?

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Wisconsin?

Mr. BRISTOW. I do.

Mr. LA FOLLETTE. Would it disturb the Senator to inform us who did participate in this conference and whether any Senator declined to participate?

Mr. BRISTOW. As to those who participated in the conference I am not advised. I was a member of the committee of conference appointed by the President of the Senate, but I had no knowledge as to the meeting of the conferees until after the report as it is before us had been made, printed, and placed upon the desks of Senators. I was then notified by the chairman of the committee that there would be a meeting of the committee of conference at 4 o'clock, two hours after this report of the committee of conference of the two Houses of Congress on the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States, and for other purposes, had been placed upon my desk. I, in company with the Senator from Minnesota [Mr. NELSON], visited the room where we were invited to appear. We found the chairman of the committee and the Democratic members of the committee of conference there, and were given to understand that they had perfected the conference report. We were then invited to express our opinion of it, but I preferred to express my opinion where it might appear in the RECORD, rather than in the privacy of the committee room, and that I shall undertake to do this morning.

I see this report is signed by the Democratic members of the committee. Of course, I did not sign it because I was not invited to sign it, and I should not have done so, anyway, for I did not know at the time the report was prepared what it contained, and I had had no opportunity of ascertaining what it contained.

The first important change made in the bill by the conferees—and I am merely going to call attention to the important changes—is found on page 4, where an organization committee is provided for, consisting of the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency.

Mr. TOWNSEND. Mr. President, does the Senator from Kansas know whether the bill which is now on our desks is the report of the conference committee?

Mr. BRISTOW. I suppose it is. Document No. 335 says: "As agreed to in conference" and "as passed by the House." That is exactly the same document and the same number as the one which was laid on our desks yesterday afternoon.

Mr. GALLINGER. Will the Senator permit me?

Mr. TOWNSEND. I want to finish my question, if the Senator from New Hampshire will permit.

Mr. GALLINGER. Very well.

Mr. TOWNSEND. I want to ask the Senator from Oklahoma whether this large document here [exhibiting] contains the correct report of the conferees?

Mr. OWEN. There is a second print marked on the "Comparative print," which contains the last changes made by the conferees and agreed to. I suppose the Senator has that in his hand. There were two of those prints, and this latter contains the various changes that were made. After the first preliminary draft was printed for use, the Democratic members of the conference committee met, went over the bill, and reconciled their differences so far as they could. Then, as chairman, I summoned a meeting of the conferees at 4 o'clock, as the Senator from Kansas [Mr. BRISTOW] has stated, but the Republican members suggested that it was offensive to them for the Democrats to have previously met and done this work, and so they withdrew from the conference without being willing to remain, although we urged them to do so and to express their opinions about any changes they would like to have made.

Mr. BURTON. Will the Senator from Oklahoma yield to an inquiry?

Mr. OWEN. Yes; I yield.

Mr. BURTON. Is there any substantial difference in this print and the first print, or are the changes merely of phraseology?

Mr. OWEN. Yes; there is a change in the salary of the Comptroller of the Currency, for instance, changing it from \$5,000 to \$7,000 additional, so as to make it equal with that of the other members of the board.

Mr. BURTON. I do not now wish to take up the time of the Senator from Kansas [Mr. Bristow], but at a later time I may ask for an explanation of the changes that have been made.

Mr. BRISTOW. Mr. President, the first important change to which I desire to call the attention of the Senate is the creation of an organization committee, consisting of the Secretary of the Treasury, the Comptroller of the Currency, and the Secretary of Agriculture. This committee will organize this Federal banking system and prepare it for the possession, I suppose, of the Federal board which is afterwards to be appointed. Since the bill provides also that the Comptroller of the Currency shall be a member of the Federal board, it simply authorizes a committee, consisting of the Secretary of the Treasury and the comptroller, two members of the board, and the Secretary of Agriculture, who is not ex officio to be a member of the board, to organize the system. It is a political committee pure and simple, consisting of political officers of the administration, to take charge of this great Federal banking system and organize it; and it will be organized, of course, along political lines, as evidently is intended by the nature of the organization committee which is created. It is one of the astounding things that this measure, which we were told some two months ago was not to be political in any sense of the word, should have developed into a strictly partisan political institution, its organization to be perfected by the political party that holds Andrew Jackson as one of its patron saints. I should like to invite any historian to point to any political inconsistency on the part of any political organization in the history of free government that is any more striking than for the party of Andrew Jackson to put upon this country such a political banking machine as has been created by this bill.

Then, on page 8 of this conference report, is found another interesting change. It is well known to the Senate that those of us who supported the Hitchcock bill sought to provide for the ownership of the stock of the regional banks by the public and the control of the regional bank by a board of directors, a majority of whom should be appointed by the Federal board or by the President. We sought to have public ownership of the stock and Government control of the banks. That bill the Senate refused to accept, and it created a banking system the stock of which is to be owned by the banks and controlled by the banks. There was a provision placed in the bill as it passed the Senate which would enable the public to take any stock that the banks did not want. If the banks refused to subscribe, then the public might have the opportunity. The House provision also permitted the directors of class C to represent on the board of the regional banks the public stockholders. I want to read that provision as it passed the Senate:

Stock not held by member banks shall not be entitled to voting power in the hands of its holders, but the voting power thereon shall be vested in and be exercised solely by the class C directors of the Federal reserve bank in which said stock may be held, and who shall be designated as "voting trustees." The voting power on said public stock shall be limited to one vote for each \$15,000 par value thereof, fractional amounts not to be considered. The voting trustees shall exercise the same powers as member banks in voting for class A and class B directors.

Now, I want to read it as the conference committee agreed upon it, and I should like the attention of every Senator:

Stock not held by member banks shall not be entitled to voting power—

If the stock is not taken by the banks and is sold to the public, then that stock has no representative, has no voting power upon the regional bank board, and the board elected by the banks that do participate, whether five banks or a thousand banks, have absolute control of the regional banks.

Mr. GALLINGER. Of the stock?

Mr. BRISTOW. Of the banks and of the stock also.

Mr. WORKS. Mr. President—

Mr. BRISTOW. The public might own a majority of the stock of a regional bank, but still the banks would have absolute power, and the stock owned by the public has no representation. The directors appointed by the Government can not act as its trustees in voting it, for the provision covering that has been stricken out. They will have no voice whatever in electing the directors. The few banks that might participate will control the whole thing. Now I yield to the Senator from California.

Mr. WORKS. I was about to suggest to the Senator from Kansas, after his statement that the public had no representation or voting power upon the board, that they have no representation or voting power as stockholders, but the Senator has since covered that point.

Mr. BRISTOW. Yes; why the conferees should have taken from the three Government directors the power to act as trustees for the public and why they should refuse to permit them to have a voice as such trustees in electing the board of directors for the regional banks I suppose the conferees will explain. It seems to me like a device to enlarge the power of the banks in control of the regional board, if such an enlargement was necessary.

Mr. GALLINGER. Mr. President, lest the conferees should forget to make this explanation, would the Senator ask for an explanation now? It is a very important matter.

Mr. BRISTOW. I should like an explanation. I would be very glad to have the chairman explain it, if he will.

Mr. OWEN. Mr. President, I shall be pleased to have the Senator repeat the question.

Mr. BRISTOW. Well, I should like an explanation as to why, on page 8, the language in the first bracket of the conference agreement was stricken from the bill?

Mr. OWEN. It was assumed by the conferees that practically there would be little or none of the stock taken by the public, but that it would be taken by the banks, and that the complication of having a director of class C exercising voting powers in one of the three groups of banks into which they are to be classified would involve considerable difficulty and complications that had better be avoided, since, in any contingency, the general interests of the country were protected by the three directors of class C, by the Government-appointed chairman and Federal reserve agent, and by the power given the Federal reserve board to remove any and all of the directors and any and all of the officers of the banks.

Mr. BRISTOW. That may be satisfactory to some people, but it is not to me.

Mr. OWEN. Mr. President, I will advise the Senator that it was satisfactory to the conferees for the two Houses.

Mr. BRISTOW. Yes; I infer that it was or it would not have been agreed to. Anything that increases the power of the banks and takes from the people representation seems to be entirely satisfactory to the conferees, as other changes in the bill clearly demonstrate.

I desire, now, to call attention to another change, and I especially invite the attention of the Senator from Wisconsin [Mr. La Follette] to it. It is found on page 12 of this book. It is in the amendment which the Senator offered and which was accepted by the Senate. As offered by the Senator from Wisconsin, it reads as follows:

No Senator or Representative in Congress shall be a member of the Federal reserve board, a director of a Federal reserve bank, or an officer or director of any member bank.

As revised by the conferees, it reads as follows:

No Senator or Representative in Congress shall be a member of the Federal reserve board or an officer or a director of a Federal reserve bank.

This leaves Members of Congress to be officers and directors in the member banks. Of course, no Member of Congress would be appointed to the Federal reserve board or as a director in any of the regional banks. The evil which the Senator from Wisconsin sought to reach was to prevent Members of Congress from becoming interested in the system and becoming directors and officers of the member banks of the system. Of course, the Senator will readily see that the vital part of that amendment has been cut out. I may comment on that a little later.

Mr. CATRON. Mr. President, will the Senator permit an interruption before he passes from that point?

Mr. BRISTOW. Yes.

Mr. CATRON. Is it not true that all the national banks which go into the arrangement will have to have as much capital and surplus as \$183,500 before they can have a vote that is enough to make up the \$15,000 to be allowed to vote, and that that will cut out all of the small banks?

Mr. BRISTOW. No; if that change was made by the conferees, it slipped my attention. My understanding is that the provision permitting each bank to have one vote was retained. Is not that correct?

Mr. OWEN. Each bank has one vote, and only one vote, whether it is a large bank or a small bank.

Mr. BRISTOW. Under the bill as it passed the Senate, the public had a right to one vote for each \$15,000 of stock which the public owned, and that was taken away by the conferees.

No director of class B or of class C shall be an officer, director, employee, or stockholder of any bank.

That has been changed also—and I call the attention of the Senator from Wisconsin to this—so that it reads now:

No director of class B shall be an officer, director, or employee of any bank.

No director of class C shall be an officer, director, employee, or stockholder of any bank.

The bill as it passed the Senate provided that none of the directors of the regional banks should be directors in member banks. That has been cut out, however; and there is no reason now why a director of the City National Bank of New York, or the Chase National Bank, or the First National Bank of Muskogee, Okla., or any other place, should not be one of the directors of the regional banks. That is a new idea that seems to have been born in conference, because it was in neither bill.

Now we come to the division of earnings. I wish to pass that for the present, however, and call attention to some other things, and return to that.

On page 30, in the civil-service provision, a very interesting change has been made. I call attention to the last part of the paragraph. A number of minor changes have been made, but I will call attention now to the last one.

This is the way it read as it passed the Senate:

All such attorneys, experts, assistants, clerks, and other employees to be appointed without regard to the provisions of the act of January 6, 1883 (22 Rev. Stats., 403).

The change is as follows:

All such attorneys, experts, assistants, clerks, and other employees shall be appointed without regard.

And so forth.

I do not know what different construction might be put upon that language. Instead of "all to be appointed," this emphasizes it and says that they "shall be appointed" without regard to the provisions of this act, and so forth. So I suppose the President would not have the power, as it was alleged he would have when the debate was on in the Senate; to apply the civil-service rules to these persons if he saw fit. The question was directly asked and the answer made that the President could apply the rules. I think it was the Senator from Washington [Mr. JONES] who offered an amendment on that point. That amendment also seems to have been lost in conference.

Mr. GALLINGER. No; that is in the bill.

Mr. JONES. The amendment I proposed, and which was adopted, is contained in the conference report.

Mr. BRISTOW. It is? All right. I had overlooked it, then.

Mr. JONES. Yes; that part of it was retained.

Mr. BURTON. It was omitted from the print of yesterday, but it is in the print of to-day.

Mr. BRISTOW. It was not in the print that was handed me.

Mr. POMERENE. Mr. President, if the Senator will remember, I called his attention personally to that matter.

Mr. BRISTOW. I do remember it now. It had slipped my mind.

Mr. POMERENE. It was simply a misprint that caused it to be omitted in the printing.

Mr. BRISTOW. But the significant change is that it is now provided that these employees "shall be appointed" without regard to the civil service. They were not even willing to trust the President. They were afraid that possibly, in some spasm of virtue, he might order the civil-service rules applied to the selection of these appointees.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER (Mr. SMITH of Georgia in the chair). Does the Senator from Kansas yield to the Senator from Ohio?

Mr. BRISTOW. I do.

Mr. POMERENE. Does not the Senator recognize the fact that this is simply changing the grammar of the sentence? It read, before:

All such attorneys * * * to be appointed.

The infinitive is stricken out, and the word "shall" is inserted, which is the only change. It does not change the meaning of it one whit.

Mr. BRISTOW. It may not. When the language says that the President shall not appoint them under the provisions of that law, I think it is more specific, and more of a command that he shall not do it, than it was in the other form.

Mr. POMERENE. Assuming that to be so, Mr. President, the amendment proposed by the Senator from Washington [Mr. JONES] is there, which gives the President full power to cover all of these places into the civil service.

Mr. BRISTOW. After they are appointed.

Mr. POMERENE. Oh, yes.

Mr. BRISTOW. Not to appoint them under the civil service, but to cover them into the civil service after they are appointed.

Mr. POMERENE. No; and the Senator has not been a stranger to that practice here in the past.

Mr. BRISTOW. Oh, well, it does not make very much difference as to what has happened in the past.

Mr. POMERENE. Of course not.

Mr. BRISTOW. The method by which the civil-service law has been extended, as the Senator from Ohio knows, has been by Executive order. It began when the law was first enacted, and every President from that time down to the present has extended the civil service except the present President. I do not think he has extended it any. He has been exempting, but not extending, as I remember.

Mr. POMERENE. And it has nearly always been extended at the close of the President's term, after his own official friends were in office.

Mr. BRISTOW. That has been the practice of the Presidents.

Mr. POMERENE. Yes.

Mr. BRISTOW. I am not defending it. I never have defended it. It has been the uniform practice, and I have not blamed the Presidents so much as I have blamed Congress. There is little criticism to be offered as to the Executive in regard to the administration of the civil-service law. The fault has been more with Congress than with the Executive. The importunity of politicians and Members of Congress has been such that Presidents have hesitated to cover into the civil service the officers that were appointed from members of the political party to which they were opposed.

Now, I wish to call attention to a change on page 33. It relates to the accepting of drafts or bills of exchange. I should like to know why this alteration has been made. I will read it:

Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation, exportation, or domestic shipment of goods having not more than six months sight to run.

The words "or domestic shipment" have been cut out, so that member banks now can accept drafts and bills of exchange only for the exportation or importation of goods, and not for domestic shipment.

I should like to know why the dealer in foreign merchandise, whether he is importing it or exporting it, is given an advantage over the dealer in domestic merchandise on exactly the same kind of paper. Perhaps some member of the committee of conference can explain that. If so, I should like to hear it.

I will inquire of the chairman why he exempts or strikes out, on page 33, in the paragraph next to the bottom, the words "or domestic shipment," leaving these bills of exchange only on foreign shipments?

Mr. OWEN. I will say to the Senator from Kansas that the chairman yielded with very great reluctance on this point, because he had a very strong opinion in favor of it, and had caused it to be put in the bill in the first instance.

The reason it was struck out was, by the demand of the House, or the argument which was made against its remaining in by the House conferees was, that small banks were apt to abuse the right of selling their credit in the way of acceptances by accepting domestic bills in default of any accommodation they could extend at the time because of their then resources. It was said that in that way they might abuse their credit, and that it would be difficult to keep a record of the sale of acceptances.

Mr. BRISTOW. It seems to me that could have been controlled by limiting the amount of paper which such banks could accept.

Mr. OWEN. It was limited in the bill. Nevertheless it was struck out.

Mr. BRISTOW. The effect of striking that out, as the Senator knows, is that a bank may deal in acceptances on imported merchandise, but not on domestic-manufactured merchandise.

Mr. OWEN. Yes; and I made the argument the Senator is now making in favor of it. I caused it to be put in the bill in the first instance, and insisted upon its remaining in the bill, but it was struck out by the House conferees because they said it would cause inflation of credit. I disagreed with them, and I agree with the Senator from Kansas that it ought to have remained in.

Mr. BRISTOW. Of course it is a manifest favor to the foreign producer of merchandise as against the domestic producer. I feel that it is a very great injustice to our domestic producers, and I concur in the opinion expressed by the chairman as to that. That is one of the things that I think I should have insisted on if I had been permitted to participate in the conference.

Mr. OWEN. The Senator ought not to say that he was not allowed to participate in the conference, because the Senator had the work which was performed by the Democratic members submitted to him at 1 o'clock on yesterday, at the very first moment we could have a print of it, so as to give him an oppor-

tunity of seeing what changes were contemplated. Then the Senator was invited to express his opinion upon any of those changes; but he declined to do so, and withdrew from the conference without permitting the differences in the proposed conference report to be submitted to him for signature.

Mr. BRISTOW. Two hours after the report had been printed and circulated in both Houses and was on the desk of every Member of the Senate and of the House, I, as a member of the committee of conference, was invited to appear and state, to gentlemen who had made up their minds what they were going to stand for, what I thought about it. And, as I said before—

Mr. OWEN. The Senator is mistaken in saying that the conference report was printed, because the conference report was not printed. What he mistook for the conference report was a printed preliminary draft made for the purpose of saving time, showing what the Democrats thought would be advisable in reconciling the differences between the Houses. It was not the final actual conference report, and had not been signed. It was simply a preliminary draft made by the Democrats of the committee, and was put in print for common convenience of examination by all interested. The Senator knows that perfectly well.

Mr. BRISTOW. Yes; I know that that—

Mr. OWEN. So that Senators could have an opportunity to examine it.

Mr. GALLINGER. Mr. President—

Mr. BRISTOW. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I will ask the Senator from Kansas whether or not, when he was invited to appear before certain gentlemen after this report had been printed, the conferees on the part of the House were present?

Mr. BRISTOW. Yes.

Mr. GALLINGER. They were?

Mr. BRISTOW. They were there, and we were invited to express our opinions.

Mr. OWEN. I again insist that the Record should not show that that was after the report had been printed, because the actual report had not been printed.

Mr. BRISTOW. Well, the pamphlet I have on my desk is entitled "Report of the committee of conference of the two Houses," and that was on my desk two hours before.

Mr. OWEN. The Senator is referring now to a document that was not on his desk.

Mr. BRISTOW. I beg the Senator's pardon.

Mr. OWEN. All right.

Mr. BRISTOW. I am referring to a document that was on my desk on December 22, and was placed here at 2 p. m.

Mr. OWEN. Then the Senator is not referring to the print of the conference report, because that is not the print of the conference report.

Mr. BRISTOW. I am reading what it says, "Report of the committee of conference of the two Houses."

Mr. OWEN. I know the Senator is reading what it says, but I am talking about the actual fact.

Mr. TOWNSEND. May I ask the Senator a question?

Mr. BRISTOW. I yield for that purpose.

Mr. TOWNSEND. Had or had not the conferees agreed to this report when they invited the Republican members in?

Mr. OWEN. They had not.

Mr. TOWNSEND. Does the Senator mean that it was open at that time to any change the Republican conferees might have suggested?

Mr. OWEN. Yes; and it was explained to them, and they were invited to suggest changes, and they declined.

Mr. CLARK of Wyoming. The print which I have, which was laid upon the desks of Senators yesterday, supposedly with the concurrence of the committee, has three columns to it.

Mr. OWEN. Yes.

Mr. CLARK of Wyoming. The first column is "House bill," the second column the bill as "Passed by Senate," and the third the "Conference agreement." Of course, it was not a report, because it had not been made to the House, but I took it to be what it said it was, an agreement of the conferees as to what they would report to the Houses.

Mr. OWEN. I will say to the Senator that the first print repeated word for word in the third column the action of the Senate before the Democratic members even met. Then the Democratic members went over it and suggested changes, and after they had made suggested changes it was printed the second time, Monday forenoon. Copies were given Senators BRISTOW, NELSON, and WEEKS at 1 p. m. Monday. Then all the conferees of the two Houses were called in, at 4 p. m. Monday, and they were publicly and courteously invited to suggest whatever changes they desired, and the Republican conferees declined to make any suggestions, but chose to regard it as something of an

affront in not having been invited in in the first place to the Democratic caucus on Sunday.

Mr. CLARK of Wyoming. This print of the bill was certainly not made before the time the Senator from Kansas said they were invited in. This print which I hold in my hand is a print which was laid on the desk later. But the print which I hold in my hand has a column headed "Conference agreement."

Mr. OWEN. I will say to the Senator that that was done for the purpose of saving time. The first print of the document he has in his hand had no interlineations whatever in the Senate bill, but showed, first, the House bill; second, the House bill as amended in the Senate; and, third column, the unchanged Senate bill ready for amendment by conferees. It was done for the convenience of the printers, so that when changes were made in conference they would not have to reset the whole matter, but could quickly make inserts in column 3.

Mr. CLARK of Wyoming. It seems to me we are wasting a lot of time and a lot of money in printing.

Mr. WILLIAMS. Mr. President—

Mr. BRISTOW. I yield to the Senator, and then I must hurry on.

Mr. WILLIAMS. I ask permission out of order to introduce a bill.

The PRESIDING OFFICER. The Chair is obliged to rule that that is in violation of the consent agreement.

Mr. GRONNA. Mr. President—

Mr. BRISTOW. I yield to the Senator from North Dakota, and then I must decline to yield further. Other Senators want to occupy time.

Mr. GRONNA. I am very much interested in the paragraph which the Senator from Kansas has just been discussing in reference to acceptances.

Mr. WILLIAMS. Do I understand that unanimous consent was refused for the introduction of the bill?

The PRESIDING OFFICER. The Chair rules that under the unanimous-consent agreement consent can not be given; that it would be a violation of the existing unanimous-consent agreement.

Mr. WILLIAMS. I do not care to argue that question with the Chair now, because it would interrupt the Senator from Kansas, but some day I will convince the Chair that the Chair has ruled wrong.

The PRESIDING OFFICER. For the present the Chair believes he ruled properly.

Mr. BRISTOW. I yield to the Senator from North Dakota.

Mr. GRONNA. I want to ask the Senator from Kansas a question, as I am very much interested in this particular paragraph, which relates to acceptances of drafts and bills of exchange. As I understand the paragraph, acceptances can be made only for shipments of goods that may have been imported or exported.

Mr. BRISTOW. That is right.

Mr. GRONNA. Is it not true that if in 1907 domestic bills or acceptances could have been employed, about \$100,000,000 of drafts would have been used in that way? This forecloses the right of the farmer or the agricultural class to have their drafts drawn against bills of lading of their grain and their stock? Are they not excluded from this regional bank?

Mr. BRISTOW. Yes.

Mr. GRONNA. That is another gross discrimination in favor of the exporter and against the domestic shippers of this country.

Mr. BRISTOW. The packing house can take advantage of these acceptances; the banks can accept for any exportation of products, but the shipper of cattle to a domestic packing house or the shipper of grain or cotton to a domestic mill is barred from the privilege of having his drafts accepted, and so in the case of the mill shipping to a customer. It is a discrimination in favor of the exporter and against domestic trade. I think it is an infamous thing.

Referring to the participation of the conferees, I do not care to haggle about that, but a conference means that the conferees of the two Houses shall meet and discuss a measure and come to an agreement as to its provisions if they can.

Mr. GALLINGER. A full and free conference.

Mr. BRISTOW. A full and free conference. It is the unbroken precedent of the Senate that members of both political parties represented on the conference committee shall participate.

Mr. OWEN. Mr. President—

Mr. BRISTOW. I will yield in just a minute. This is a violation of the unbroken precedent, and I think it was because the chairman of the committee believed that the Republican conferees might vote with members of the Democratic conference, and thereby probably put in or take out of the bill some of

his pet measures. Because of that, I have been told he refused to sit in the conference that was held with the Republican members present.

Mr. OWEN. Mr. President, the Senator from Kansas has no justification in supposing that the majority party can not or would not act in unison and as a unit in conference. If the Senator thinks that he, representing an opposition party, can split the Democratic Party at his convenience and change the policy of the majority of the Democratic Party in this body, he is mistaken. He tried to do it in the Banking and Currency Committee and he failed. He was not permitted to try it in the conferences of the Democrats of the Senate, and we had good reason in excluding in the preliminary consideration of this bill the Senator from Kansas, because we did not want a "debating society" in lieu of a conference.

Mr. BRISTOW. Yes; I will get to that pretty soon. There are some things in this bill which the Senator from Kansas was for that the Senator from Oklahoma is against. The President of the Senate appointed the Senator from Minnesota and the Senator from Kansas as members of the committee of conference and the Senator from Oklahoma had no right, either in morals or so far as the membership of this body is concerned, to exclude him from a full and free conference in that room, whenever the bill was under consideration. I believe it was done because the Senator from Oklahoma knows that he could not control the vote of the Senator from Kansas any more than he could control the votes of all the Members on the Democratic side in the interest of certain great banking concerns which have had a part in the framing of the provisions of this bill.

Mr. OWEN. Mr. President, I deeply feel my recent affiliation with the big business interests of the country, and I appreciate the complete reform of the Republican Senators, who have had for years the opportunity of giving this country relief against big business and have never done it, and who have not only been affiliated with big business, but have been receiving campaign funds ad libitum from those very interests.

Mr. BRISTOW. The Senator from Oklahoma, who has assumed such virtue in the years that are passed, who has denounced the Aldrich bill, has accepted its most offensive provisions and covered them with a mask to deceive the American people, and he knows it.

I now come to the insurance of deposits. Before I take that up I will refer to the provision on page 42, which requires the Federal reserve bank to receive on deposit at par from member banks or from Federal reserve banks checks and drafts, and so forth. That will come as a severe blow to the small country banker, who has so violently protested against that provision.

Now, I want to take up section 7. Every provision in this bill that was in the interest of the banks has been retained. The provisions that were stricken out were provisions in the interest of the public. I call the attention of the Senate to the colloquy with the Senator from Oklahoma on the last day that the bill was before the Senate in regard to the insurance of bank deposits. It will be remembered that I read an article from the New York Sun, in which it was said that Secretary McAdoo had been revising this bill, and that one of the things he decided upon that should go out was the provision for the insurance of deposits. The Senator from Oklahoma, after some equivocation, finally said that there was no agreement that it should go out, but declined to say that it would be held in.

I want to speak just a few words about the insurance of deposits. It has been attacked upon this floor with great violence. A provision was placed in the bill which was ineffective, but it recognized a principle. It would have been of advantage at least to some parts of the United States.

The present postal savings bank is simply a scheme or a system very largely for the insurance of deposits. The Government takes the money from the people and pays 2 per cent interest on it. The day that it is deposited in a post office an officer goes across the street and deposits it in a bank, and the bank pays the Government 2½ per cent. The postal savings-bank system was instituted for the purpose of giving the people who were afraid of banks a safe place to put their money. They had confidence in the Government, but not in the banks.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Colorado?

Mr. BRISTOW. I do.

Mr. THOMAS. I think the Senator can go a step further and say that the purpose of the pending bill is to insure bank notes or notes of issue.

Mr. BRISTOW. Yes; that is true. The argument that was made for the postal savings bank was that it would bring money

out of hiding; that such money would be deposited in the post offices, where those who are skeptical as to the safety of banks would have no doubt about its safety. It has resulted in bringing out something over \$30,000,000 that has been deposited in our post offices.

As I said, the same day this money is taken by the postmaster and deposited with a bank the bank pays the Government 2½ per cent; that is, the Government insures the safety of that fund to the depositor and charges him one-half of 1 per cent for it. If there is any Senator here who can deny that proposition, I should like to have him do it now. It is nothing in the world but an insurance of the money to the depositor that it will be returned. The Government does not use it. Probably one-thirtieth of the amount that has been deposited has been invested in bonds, but the amount is comparatively insignificant. The postal savings system, as we have it now, is an insurance of deposits, for which the Government charges one-half of 1 per cent; yet we are told it is unsafe to take a part of the profits of a regional bank and insure depositors in the member banks against loss.

The fight that has been waged here against depositors' insurance is an unjustifiable assault upon as sound an economic principle as ever was woven into the statutes of the United States. It ought to have been in this bill.

The Senator from Oklahoma can preserve the features in this bill that add to the profits of the bank of which he is one of the owners, but he lets go out the only provision that would insure the safety of the funds of the people who deposit in those banks.

Mr. OWEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. BRISTOW. I do.

Mr. OWEN. The Senator from Kansas goes far in attempting to impugn the motives of a brother Senator. He violates the Senate rules in doing that. I shall not dignify the intimation of the Senator with any answer. It does not deserve an answer. I have for years advocated a guaranty fund or an insurance fund for bank deposits. I spoke in this Chamber five years ago in favor of it. The House committee is preparing a special bill on the plan of insuring bank deposits. They have a subcommittee expressly charged with that duty. They expect to bring out a perfected bill and one that is not so imperfectly drawn as this proposed use of a part of the funds which are earned by the Federal reserve banks. I should expect to assist in perfecting a measure of that kind, but I remind the Senator from Kansas, while he invokes the gods to witness as to the perfidy and wickedness of the Senator from Oklahoma, every single member of the Kansas delegation who voted at all voted for this measure in the House. The Senator thinks he represents Kansas. Not a single member of the Kansas delegation voted against this measure in the House.

Mr. BRISTOW. I regret very much that is the case.

Mr. OWEN. Six of them were for it and two were absent.

Mr. BRISTOW. I regret very much that the Representatives from Kansas should have so voted. I think if they had been thoroughly advised none of them would have voted for it, except those who do not profess to be free and independent from the dominion of a caucus.

Mr. REED. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Missouri?

Mr. BRISTOW. I will for a moment, but I must get through. I am taking more time than I ought to take.

Mr. REED. Very well; I will take a few moments after the Senator is through.

Mr. SHAFROTH. I should like just to say in a minute that during the conference consideration the Senator from Oklahoma insisted three or four times upon this amendment being in. It was denied by the House conferees. They made the claim that they were going to have a perfected system. The action of the Senator from Oklahoma was absolutely loyal to the provision which the Senator from Kansas is referring to.

Mr. REED. Mr. President, that is what I rose to say, exactly, and I would have said it in stronger terms than my friend from Colorado has said it. I only make a remark now because I want to emphasize what he said. Since I have the floor, let me say that this was practically a last-ditch proposition on the part of the Senate, and it came to a point where, manifestly, there would be a disagreement reported and the passage of the entire measure delayed unless there should be a yielding.

The fact which induced us to yield was that a bill is in process of preparation, indeed it is almost, if not quite, pre-

pared, developing a plan that will create a real fund. Even if such a plan did not exist, we have the power to inaugurate such a plan; and even if neither proposition were true, it still remains that if the Representatives of the House absolutely refused to yield and we had the choice of delaying or defeating the entire bill or yielding this matter, it would have been better for the country, of course, to yield upon the principle that if you can not get entire relief, you had better have some relief than nothing. The criticism of my friend from Kansas—

Mr. BRISTOW. Mr. President, I beg the Senator from Missouri to remember that the time for discussion is limited to-day, and I shall have to ask him to speak in his own time.

Mr. REED. I did not know that. Let me finish this sentence, and I am through. The criticism of the Senator from Kansas upon the chairman of the committee is not justified by any fact which occurred in conference.

Mr. BRISTOW. Mr. President, it may be satisfactory to the Senator from Missouri, in whose sincerity of purpose I have confidence, so far as this proposition is concerned, to say that "we will let this go out of the bill and we shall provide for it in different legislation." Since I have been in the Senate that has been one of the methods of defeating legislation. Now is the opportunity; now is the accepted time; now we had the provision in the bill. If it were desired to perfect it, it would have been just as easy to perfect it now as it would have been to perfect other provisions in the bill. It was a provision directly in the interest of the depositors of the banks.

I notice the Senator from Oklahoma did not yield the point that the interest to be paid on the stock which these same banks are made to hold should be 6 per cent instead of 5 per cent. The House provided that the dividend to be paid on the stock by the regional bank should be 5 per cent. The Senate increased that from 5 per cent to 6 per cent, and that provision remains in the bill. It was a provision of the Senate that gave the banks 1 per cent more, and the Senator from Massachusetts [Mr. WEEKS], when he discussed the bill, declared that it meant throwing away by the United States Government a million dollars. I suggested on the last night when the bill was under consideration that we could take that million dollars and create a depositors' insurance fund, which would be of value to the depositors in the banks throughout the United States. Oh, no; that suggestion could not be accepted. Those who drew the bill in the interest of the national banks preferred to put that million dollars into the coffers of the banks instead of putting it into a trust fund to insure the money of the depositors in the banks.

You may say, "We will legislate on this subject in the future." Yes, possibly; but now is the time.

Mr. OWEN. Will the Senator from Kansas yield to me?

Mr. BRISTOW. I shall have to let the Senator from Oklahoma answer in his own time. I want to read an extract from the CONGRESSIONAL RECORD, on page 4719, of September 5:

Mr. WILLIAMS. I want merely to read a part of Jefferson's Manual which relates to a direct personal interest, not to the general interest of consumers. I am interested in beef because I am a consumer of it: "Where the private interests of a Member are concerned in a bill or question he is to withdraw. And where such an interest has appeared his voice has been disallowed, even after a division. In a case so contrary, not only to the laws of decency, but to the fundamental principle of the social compact, which denies to any man to be a judge in his own cause, it is for the honor of the House that this rule of immemorial observance should be strictly adhered to."

Then the Senator from Mississippi continued:

The Speakers of the House of Representatives and the presiding officers of the Senate have ruled that the Member's vote could not be excluded in his interest, because he himself was the judge of the fact as to whether he was personally and directly interested or not; that he must rely upon his own sense of honor and justice in determining that fact.

That was a quotation read and those were remarks made by the senior Senator from Mississippi when the tariff bill was under consideration and the Senator from Rhode Island [Mr. LIPPITT] was discussing it. An attack was made by a number of Senators on the other side upon the Senator from Rhode Island because he is interested in some cotton mills. It was alleged that the tariff on cotton was directly in his interest. While the tariff on a cotton fabric may be of general interest to the manufacturers of cotton fabrics throughout the country, it can not be located specifically and directly in the interests of a single manufacturer as personal legislation. If a Senator owns a large interest in a bank and he votes for a provision which increases the earnings of that particular bank, does he not vote to increase his own personal fortune in a direct way and not in a general way such as would be the case under the tariff bill? I maintain that he does. When a Senator votes for a dividend of 6 per cent instead of a dividend of 5 per cent on stock in which he has a personal interest, it seems to me that is coming in direct violation of the rule which Jefferson's

Manual lays down; it is far more direct than any vote could be on a tariff schedule; yet the indignation of some Senators in this Chamber against some other Senators who have voted on general schedules has been very great.

I now want to read a clipping which has been handed me, which is as follows:

OWEN INVESTS IN NEW BANK—SENATOR WILL BE BIG STOCKHOLDER OF ST. LOUIS INSTITUTION.

Senator ROBERT L. OWEN, chairman of the Senate Committee on Banking and Currency, last night confirmed a report that he is to be a large stockholder in a national bank now being organized in St. Louis. The head of this institution will be the Rev. Dr. J. T. H. Johnston, president of the Reserve National Bank of Kansas City.

The new institution will absorb a number of other St. Louis banking concerns, among them the German Savings Institute and the Commonwealth Trust Co., the latter being one of the influential financial concerns of that city.

My allegation is that this bill has been drawn in the interests of the banks; that the Senator from Oklahoma, as the chairman of the committee, is largely interested in banks; that the profits which will accrue to those banks directly will add to his personal fortune; that he has voted to increase the dividends on the stock of the regional banks, which will be paid to the member banks, from 5 per cent to 6 per cent; that he has voted against permitting the public to hold the stock of these regional banks and has insisted that it shall be held by the member banks; and that he has voted against giving the Government the control of the regional banks and in favor of the banks controlling the regional banks, and it is for him to say whether he has violated the rule laid down in Jefferson's Manual.

In closing I desire to say that this bill contains a concentration of power that has never been lodged in any Federal officer since the Government was established. It puts in the hands of the Secretary of the Treasury and his subordinate officer, the Comptroller of the Currency, a power over the banking and currency affairs of this Nation greater than has ever been held by any man in the history of any civilized nation over the banking and currency of that nation.

Where are we coming to in the centralization of power? The Attorney General by a statement sends up the stock of corporations, the aggregate capitalization of which is more than \$500,000,000, approximately 10 per cent in a single day. By his action he can decrease the value of that stock to-morrow in the same amount. When you take the power which the Attorney General assumes under the laws and add to that the power that this bill places in the Secretary of the Treasury, you are providing a centralization of power that Alexander Hamilton would have blushed with shame to have suggested, and yet this is done by a political party that holds up Thomas Jefferson as its patron saint. Ah, you may pursue this course and deceive the American people for a time, but it will be for a limited time, and for a limited time only.

Mr. OWEN. Mr. President, it will only take me a moment to answer the Senator from Kansas [Mr. BRISTOW]. Twenty-four years ago I did establish a little bank down in Oklahoma—the First National Bank of Muskogee. I had stock in it then; I have stock in it now, and I shall keep it until I die. I am proud of that little bank; it has done a good work in its sphere. The suggestion of the Senator from Kansas that my action in connection with this bill is moved in any degree by my possession of that stock is not only ridiculous but absolutely false, and the Senator knows it is false.

The suggestion made by the Senator from Kansas that 5 per cent on \$100,000,000—which would abstract \$5,000,000 from this system—is less expensive to the general public and more advantageous to the banks than 6 per cent on \$50,000,000—which would abstract \$3,000,000 from the system—is mere foolishness. There is a difference in favor of the 6 per cent on \$50,000,000 over 5 per cent on the \$100,000,000 of \$2,000,000 in favor of the general public.

The banks of the Southwest do not regard a 6 per cent investment as a valuable investment. They lend money at 8 and 10 per cent; they are doing it now, and they have no difficulty in placing money at 8 per cent on excellent security. The suggestion of the Senator does no credit either to his judgment or to his heart.

Mr. REED. Mr. President, I shall occupy the floor but a moment, because the time is limited and I understand, under the arrangement which has been made, all of the time has been assigned to the other side of the Chamber except about an hour.

I said in part when permitted to interrupt the Senator from Kansas [Mr. BRISTOW] that the Senate conferees had contended for the so-called guaranty, or insurance, provision of this bill until it became manifest that a disagreement would result. A disagreement would of course have delayed the final passage of this bill and possibly would have imperiled its passage at

all. We were therefore put to the answer of this question: Shall we have a bill containing many benefits, have it pass, have the business of the country go on uninterrupted and unimpeded by the present condition of uncertainty, or shall we insist upon retaining in the bill a provision which all admit was imperfect and experimental, but nevertheless a provision which would have recognized the principle of bank insurance? Under those conditions we yielded. The House, through its conferees, stated to us that it was their fixed purpose to prepare and bring in a bill which would work out a consistent, harmonious, and effective plan for the insurance of bank deposits. Under those conditions it would have been a foolish thing for the Senate to have insisted and longer delayed the passage of this bill. Now, because we did that, the Senator from Kansas indulges in what parliamentary custom, usage, and rules forbid me from properly characterizing in this body.

We have had a lot of mock heroics and vociferous fulmination about this bill being drawn in the interest of the banks. Coupled with that are two claims. One is that by compelling the banks to take the stock of this system we have perpetrated a wrong and an outrage upon the banks and compelled them willy-nilly to subscribe to this capital stock, and that by so doing we have almost invaded their constitutional rights, if, indeed, we have not quite done so, and taken their property without due process of law. Having thus claimed that a wrong is being imposed upon the banks when we ask them to take this stock, and having exhausted the language of vituperation against us because of that, out of the same mouth and from the same lips and within 15 minutes' time we find ourselves denounced because we have not given the public the great benefits it would derive from the purchase of this same stock.

Mr. BRISTOW. Mr. President—

Mr. REED. Just wait until I conclude this sentence. I have heard those two arguments from that side of the Chamber, first from one man and then from another, and it can not be that they are both true. It can not be that it is a great outrage upon the banks to ask them to take this stock, and at the same time that it would be a great blessing to the public to permit it to take the same stock. Consistency is a jewel that seems to be getting very rare in this debate.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. I yield.

Mr. BRISTOW. The Senator, of course, does not mean to misrepresent me, I know; but he never heard me say it was doing an injustice to the banks to compel them to take this stock. He may have heard other Senators say so.

Mr. REED. I do not mean to do an injustice to the Senator from Kansas. I am dealing with the general line of the debate.

Mr. BRISTOW. The reason I interrupted the Senator was that he said "from the same lips." I never have contended that.

Mr. REED. I have heard it from the same lips. I am not replying especially to the Senator from Kansas.

Mr. President, the next claim that is made is that we are in some way imposing a burden upon commerce by permitting a 6 per cent dividend upon \$50,000,000 of stock, but that we would be conferring a great benefit upon commerce by levying a 5 per cent dividend upon \$100,000,000 of stock. That has already been answered. It answers itself.

The truth about the matter is that there is no occasion for anybody to go into heroics over this matter at all. The truth about the matter is that this bill is intended to strengthen our banking system. Nobody has ever claimed anything else. If the plan works as its authors hope, as everybody hopes who is more of a patriot than he is of a partisan, more of a lover of his country than he is of the success of his party, the truth of the matter is that the bill will probably benefit the banks by removing from them the great menace that is constantly present of panics and of constriction of credits at the very moment when credits ought not to be constricted. The other truth that goes with it as a corollary is that by removing this menace from the banks we at the same time remove the menace from the country.

A panic first strikes the bank, but within the next succeeding moment it strikes the depositor of the bank; it strikes the borrower from the bank; it strikes the business of the country, and it goes on down and strikes the man who digs in the trench and who toils in the mine. A sound financial system is essential to a sound business system, and a sound business system is essential to a sound industrial system, and all are essential to the happiness of a people.

Mr. President, I do not intend to follow this line of discussion. There was no occasion for this kind of an attack by the

Senator from Kansas. The bill before us does not differ in any great essential from the bill that he himself signed. The personal attack upon the chairman of the committee is a regrettable thing, and is about as far-fetched as it would be to charge a sinister and selfish motive to the Senator from Kansas because at some time he may borrow money from a bank or he may have a newspaper that borrows money from a bank. That would not be a proper charge to make; and the Senator from Kansas ought to withdraw the statement he made here upon the floor.

Mr. NELSON. Mr. President, it is not my intention at this time to enter into any discussion of the merits of the bill as agreed upon in conference. I only intend to refer to some other matters of a peculiar and revolutionary character in connection with the bill.

When the pending bill came to the Senate on the 18th of September last, it was understood, and was so indicated on the other side of the Chamber, that it was to be treated as a measure of legislation that concerned the welfare of the people of the entire country, high and low, rich and poor, Republicans, Democrats, Socialists, Populists, or whatever might be their political or social affiliations, and that we were to consider it in a purely nonpartisan spirit. Whatever motive may have actuated other Senators in that respect, so far as I am concerned I considered the bill in that spirit from first to last. Strangely enough, however, we were hampered from time to time while we were carefully considering the bill. I attended all the hearings of the committee from the 18th of September on, except during one solitary week at the beginning, when I was necessarily compelled to be absent. Notwithstanding the close attention which was being given to the measure we were from time to time threatened with a caucus unless we moved more rapidly and made certain changes in the bill.

Senators all know the result. A disagreement arose in the committee on one or two vital propositions, when it divided into two sections, and each section of six made a separate report. The report made by the members of the committee headed by the Senator from Oklahoma [Mr. OWEN] was afterwards submitted to a Democratic caucus or conference. The bill reported by the section of the committee with which I acted was not submitted to any conference.

I need not go into what transpired in reference to the passage of the bill. I can only say that after the bill was passed a request for a conference with the House of Representatives was made by this body, and acceded to by the other legislative body. According to parliamentary usage, the bill was put into conference; but, as a matter of parliamentary law, there has been no conference on the bill.

When a bill is referred to a committee of conference, if there are no restrictions in connection with the reference, if there is no provision or resolution limiting the operations of the committee, it has been understood from time immemorial, from the beginning of our system of parliamentary law, that such a conference should be a full, fair, and free conference, open to all the members of the committee.

What are the facts in this case? When the conferees met, the Republican members were not permitted to be present. I want to acquit the Members of the House; I want to do full justice to them. The conference committee of the House, headed by Mr. GLASS, took their Republican associate with them, and were willing to confer with the Republican members of the conference committee of the Senate. Objection was made to that course, however. The objection came from the six Democratic conferees on the part of the Senate. They saw fit to exclude us from a full, fair, and free conference on this bill, such as has always been customary.

Mr. President, I have served in four different legislative bodies in my day, and I have never before had such an experience as that I have just undergone. I have served in this body for 18 years; I have been at the head of two important committees; and in my legislative conduct I have always aimed to treat Senators on both sides of the Chamber fairly and honestly, without discrimination. I do not think any Democrat who has served with me can say that as a member of any committee or as chairman of any committee I have ever discriminated against Democrats. I have always accorded to them the same fair treatment in all matters of legislation that I have given to any of my Republican colleagues.

The conference was ordered on last Saturday. The Democratic members of the conference committee met that afternoon or evening; they met again on Sunday morning, and continued in session until 3 or 4 o'clock on Monday morning. They had come to an agreement among themselves, and their report was

printed. The Republican members were never consulted or invited to the conference.

About 10 o'clock yesterday morning I received a telephonic message from the chairman of the committee asking me to meet with them. I went over to his room a few minutes after that time, between half past 10 and 11 o'clock. I found the chairman of the committee there and the Senator from Missouri [Mr. REED]. I said, "I suppose you have agreed to your conference report?" "Yes; we have." "There is nothing for us to do, then?" "No." I walked out. I heard nothing more. Then afterwards, between 12 and 2 o'clock, the chairman of the committee called me out of the Chamber and handed me the printed conference report which I hold in my hand, and said, "I wish you would look this over." Subsequently, at 4 o'clock, we were summoned before the committee. After the Democratic members had had a conference over the bill, lasting from Saturday noon until Monday morning at 3 or 4 o'clock, we were called up, just as a criminal is called up after a verdict of conviction against him has been found, and asked what we had to say as to why sentence of the Democrats should not be pronounced upon us. [Laughter.] We were called before the committee at 4 o'clock, and they said, "Here is what we have agreed upon. What have you to say as to why this Democratic sentence should not be pronounced upon you?"

What could we say? A poor culprit knows, under such circumstances, that it is idle for him to enter into any dispute with the judge. He might as well sit down and keep quiet, and that is what we did. It was pure mummy; and yet, in the face of these bald facts, the chairman of the committee has the audacity to come here and say that we were given an opportunity! If he calls that an opportunity, I hope the Senator from Oklahoma will live to have such opportunities in the future. [Laughter.]

Mr. President, I feel that this was an insult and an indignity offered to the Republican members of the conference committee. When the President of the Senate appointed three Republican conferees it meant, under parliamentary law, that we were to be permitted to cooperate and to act with the other members of the committee. By your conduct, Senators, you have not only insulted us and piled injury upon insult by calling us before your committee after you had agreed, but you have disfranchised the States we represent. You may have humiliated me by the course you have pursued, you may have belittled me, but what is more, you have belittled and disfranchised the great State of Minnesota, which I have the honor in part to represent.

When the President of the Senate appointed me one of the members of the conference committee I was appointed as a Senator from the State of Minnesota. Under the Constitution my mandate was as strong, my power of attorney was as comprehensive as that of the Senator from Oklahoma or of any other Senator in this body. I wish to say to the Senator from Oklahoma that the State of Minnesota, however unworthy its representative may be, is at least entitled to as much consideration in this Chamber as the States of Oklahoma, Colorado, and New Hampshire; and we hope by and by to be as big as the State of Ohio. [Laughter.]

These are the bald facts in the case. What do they lead to, Mr. President? They lead to a new parliamentary rule inflicted upon us by the Democrats. Whenever your President or you see fit to label a measure a party measure, whether it be a matter of rural credits, antitrust legislation, railroad legislation, or what not, and hold a party caucus over it, treat it purely as a party question, and ignore us, not only on regular committees but on committees of conference as well, you have established a rule that none but you are entitled to legislate for this country, you have established a rule that States which send Republicans here are not entitled to any consideration. By the conduct of the six Democratic conferees you have, as I have said, not only insulted Republican members of the committee, but in that respect you have disfranchised the State of Minnesota, the State of Kansas, and the State of South Dakota, States equal to your States under the Constitution, whose representatives in this body were appointed as members of the conference committee.

I have heard a good deal said about the commission of the Democratic Party to legislate. They may have a great commission, for all I know; but under the Constitution of the United States we are all here on a footing of equality; we are here as representatives of great States, entitled to equal consideration. When you fail to give us fair and equal consideration, you to that extent disfranchise the great States we represent.

So far as I am concerned, I never felt so humiliated in all my legislative experience as I feel on this occasion. My humilia-

tion, however, is a small matter, a personal matter, compared with the humiliation and indignity inflicted upon the great State of Minnesota in the disfranchising of its representative in this body.

I shall go home to my people in Minnesota and tell them that the Democratic Party have adopted a new gospel here; that whenever they have a piece of legislation they desire to put through they will label it "party legislation"; that after that has been done it is to be passed by caucus rule; and if it gets into conference Republicans are not to have any consideration, and you in Minnesota are to be forever disfranchised.

Mr. WILLIAMS. Mr. President—

Mr. NELSON. I decline to yield to the Senator from Mississippi. I like the Senator from Mississippi, but he must take the same medicine that his Democratic conferees have given me on this occasion.

Mr. WILLIAMS. I beg the Senator's pardon; I had no intention of interrupting him at all. I thought the Senator was sitting down.

Mr. NELSON. Mr. President, it is "a long road that has no turning." "The mills of God grind slowly, yet they grind exceeding small." I have seen two Democratic administrations come and go during my legislative career. I have seen another one come, and I think I shall live to see that go, too. [Laughter.] I think, Mr. President, that bye and bye a greater day will dawn for the Republic, when this Democratic legislative tyranny that has been inflicted upon us at this session will be something that even the Democrats will be as ashamed of as they are ashamed of some of their actions in the past.

Mr. President, knowing that other Senators desire to speak on this question, I do not feel warranted in occupying more time on this occasion.

Mr. WILLIAMS. Mr. President, it is strange that a Republican Senator with 18 years of memory should still have such a short memory. The Senator says it is a long road that has no turn. I appreciate that. We finally got to the turning of this particularly long road.

All of the Senator's talk reminds me of the experience of an old negro woman down in Greenwood, Miss. Her mistress had company unexpectedly and sent her husband out to get old Aunt Martha, the cook, and to get her at once. Her husband found old Aunt Martha on the street with a brickbat in her hand and indulging in a lot of rather extreme language. He said, "Aunt Martha, what is the matter?" She said, "Well, some poor white trash just come along here with one of them new machines that run without any horses, and come mighty near running over me. If I could have got this brickbat in time I would have stove in his brains." Thereupon the master said, "Well, your mistress wants you to come, and to come rapidly; you must help her out; she wants you to come in five or six minutes." She said, "How do you expect me to get way out there in five or six minutes?" He said, "I will carry you out in my auto." He put her in. The old darky looked a little out of place at first, but finally surrendered herself to the luxurious cushions. After a while there came crossing the road a colored man who did not hurry a bit. The old woman said, "Run right on. He has no business at all crossing the road in front of our car, anyhow." [Laughter.]

That is the way I feel. We went through the same experience at the other end of this Capitol, for I remember when Tom Reed was Speaker, and I remember when he used to say to Benton McMillin in that inimitable New England drawl of his, "Mac, get the other Democrats together; we are about to perpetrate another outrage; and we want you to witness it."

Then later on I served over there in the capacity of minority leader, a place with much name and little power, as many have learned before me and since. Joe Cannon was then Speaker, and Joe Cannon would say, in the language of Tom Reed, "Sharp, the Republican Party, responsible for the legislation, is about to perpetrate another outrage. Put your hand on the Democrats and bring them in, so you may know what it is beforehand." Sometimes they would give us 20 minutes to talk. Once they did not give us even any time at all.

This is a part of the experience in the House of Representatives as given by a distinguished Congressman there in reply to a "one-minute gush of the Wyoming geyser," something like this Kansas geyser. He said:

He—

That is, the Wyoming geyser—is still "harping on my daughter" and talking about "caucus rule."

By the way, I found out, when I was in the minority in the House, that the country did not care much about how the majority reached a vote. What it cared about was what the

majority did, and as long as the Republican Party enacted legislation that the country approved of nobody did anything except smile at us when we talked about caucus rule and all that.

He is still "harping on my daughter" and talking about "caucus rule" and the exclusion of the Republican conferees, forgetting the fact that when the Vreeland-Aldrich bill was passed by a Republican Congress the Democratic conferees were excluded.

I remember that fact distinctly, because I was one of them. I was not admitted to the room until Senator Aldrich on one side and Representative Vreeland on the other had completed the draft of the bill. Then I was asked in and had it handed over to me.

Now, the country is going to judge us by what we are doing. If this is a good bill, a sound bill, and will accrue to the prosperity of this country, the country will stand up and call us blessed. If we have made a mistake, the country will rise up and call us accursed. That is all there is to it.

Of course, I should feel sorry if I had ever had anything to do with anything that might have hurt the feelings of the genial Senator from Minnesota [Mr. NELSON]. I would rather have seen anything in the world done than to have seen him left in a frame of mind where he felt hurt in any way. But the public business must be attended to, and this difference between the two Houses, which was a difference between Democrats in the two Houses, had to be settled. The Senator from Minnesota knows as well as I do that the presence of others there would not have done anything except to delay the final settlement.

This country does not carry on legislation by States, not even in the Senate. There was a time when my ancestors contended that it ought, but that time has passed. We carry on legislation by majorities, a majority representing the Nation. This majority here and now is responsible for this legislation, and if it permitted others to twist the bill awry and put into it things that were not consistent with its purpose, it would be we who would be blamed and not the men who put it in there.

I ask the Senator from Minnesota—genial, good natured, sweetly dispositioned as he always has been—to let his mind run back a few years, and it may be that he can understand that there not only is always a turning to a long road, but that this particular long road is a Republican long road that has had a Democratic turn; and I hope the country will some day feel glad.

Mr. NEWLANDS. Mr. President, I think this bill has been much improved in conference. It has been improved with reference to those provisions which have been claimed as likely to tend to inflation, among them the provision permitting Federal reserve notes to be kept in the reserves of banks, mere promises to pay instead of basic money.

Another was the provision regarding keeping out national bank notes. It is obvious that as the basic money of the country and of the world increases, as it has been increasing for the past 20 years, it is the duty of every nation having out any considerable amount of uncovered paper money to gradually cover it with basic money or else to retire it. Otherwise, during a period of expansion of the basic money, the uncovered paper money will remain out for purposes of inflation.

Mr. President, a country suffering from inflation is like a man suffering from a spree, more stimulant is constantly required until the breakdown comes. We find that a country which is passing through a period of inflation is constantly demanding more inflation as the cure of existing conditions. Twenty years ago we were suffering from a contraction of the basic money of the world, caused by the diminished output of gold, and also caused by the elimination of silver. To-day we are suffering from an inflation of the basic money of the world caused by an enormously increased production of gold and an inflation of credits resting upon this basic money, which in this country alone have trebled in quantity, increased to the extent of about 300 per cent. On the other hand, the population in 20 years has increased only 30 or 40 per cent. This is the cause of the high cost of living. I think, therefore, the conference committee is to be commended for having stricken out the two provisions that point to a further inflation.

I think it unfortunate, however, that when the provision allowing the Federal reserve banks to be counted as the reserve of banks was stricken out a provision was not inserted giving the reserve board power to give State banks not now up to the requirements of this law an extension of time in order to come within these requirements. We all know that the average reserves of the national bank notes are 3 or 4 per cent above the requirements of this act, whilst the reserves of the State banks are 3 or 4 per cent below the requirements of this act. It is important that the State banks should come in immediately. I regard it as a misfortune that provision has not been made

for the immediate coming in of the State banks without requiring of them immediate compliance with this statute as to their reserves.

I regret also that the committee did not strike out the phrase "not more than 12," thus permitting the organization committee to designate not less than 8 cities to be known as Federal reserve cities without limitation as to the maximum. I believe that whilst 8 may be sufficient in the first instance, the number ought to be gradually increased, increased beyond 12, and increased finally in such way as to give a reserve city to each State, organizing each State into a reserve district composed of the State and the National banks of that State as member banks.

I believe if we should pursue that system by a constant evolution we would eventually have a reservoir at Washington in which would be deposited a considerable part of the funds of the reserve banks required by this law to be turned over by the member banks to them, and that thus we would have a great central reservoir at Washington from which money could be supplied directly to any reserve bank that might be under stress without going through the formula of calling upon one reserve bank to aid another reserve bank, with possible protest against and delay in such a procedure.

Mr. President, I do not know whether this bill gives the power of recommendation to the reserve board. It is possible that they may make their recommendations to Congress without such a provision, but I have always regarded such a power in the interstate-commerce act as one of the most important of its provisions, for it is under the recommendations of the Interstate Commerce Commission and the result of long and practical experience that we have been enabled thus far by a gradual process to perfect that act. All the recommendations of that commission are gradually being complied with, though many of them have been much delayed. The last one, one which they had been pressing for years, relates to the valuation of railroads.

Regarding the stock, I regret that the provision compelling a subscription of stock was not stricken out. I believe that sufficient capital is furnished to all the reserve banks by the deposit of a third of the reserves of the member banks required by this law.

If all the State and National banks come in under this union, the reserve banks will have \$500,000,000 of reserve money. That money they could use most effectively in the rediscounting of notes held by the member banks in any section of the country where there is a panic or a stringency; and it will be all the capital that will be required, when you take into consideration the fact that the Government itself will have some \$200,000,000 of funds which it can loan to the reserve banks or deposit in them and also has the extraordinary power of issuing these reserve notes for the purpose of rediscount.

I think it is a misfortune that we should regard these reserve associations as banks organized for profit. I think if you regard that as one of their functions, they are likely to be led into error. I believe that if they will be regarded as banks of profit, there will be a constant temptation to keep the reserve notes out and also to keep these reserves employed in rediscounts.

The merit of this whole system is that it establishes emergency reservoirs, and the benefit to be received from this act is that after the reservoirs are drawn upon to meet an emergency the funds withdrawn are gradually restored with a view to meet another emergency; otherwise, if they are left out after the emergency is over they are out for purposes of inflation. More than that, the moneys will not then be in the reservoirs to meet another emergency.

It seems to me just as absurd to make these reserve banks banks of profit as it would be to expect profit from our fire department through the employment of its horses in drayage and trucking and the employment of the firemen in the ordinary vocations. The purpose of a fire department is to be on hand with its engines and its men and its apparatus in order to meet a great emergency, and we expect, of course, those engines and the men and the apparatus to be idle except when the emergency is on. If we were to permit these men to be employed in other vocations they would not be on hand to meet the emergency. So, if we employ the funds in these reserve banks and loan them out during ordinary times when there is no press or stringency, it will simply be depriving them of all capacity to relieve when the emergency comes.

I hope that the result of the recommendations of the reserve board with this feature of profit making will be absolutely eliminated in the future, and I hope that by process of evolution and changes in the law we will have a reserve bank in each State and a central organization at Washington which can aid them all.

Mr. THOMAS. Mr. President, I have been greatly disappointed that the conference committee struck from the bill that part of section 7 which was designed to create an insurance fund for the benefit of depositors in failed member banks. My disappointment is modified in some degree by the assurances which are given by members of the Senate conference committee that it is the intention of the Banking and Currency Committees of both Houses in their codification of the banking laws to present a more mature and better designed system of depositors' insurance.

I have, however, some skepticism as to the possibility of the accomplishment of this much-desired purpose during the days of the present Congress. I hope that my fears may not be realized; but it is extremely difficult, when so much legislation is pressing upon our attention and demanded by the country, to focus the business of the National Legislature more than once upon the same subject during the same Congress. However, I am obliged to accept this assurance for what it may be worth and to indulge the hope that before we shall have adjourned for the summer we shall have perfected this measure by crystallizing into legislation this very important principle.

I have given it much study and consideration. It may be that my conclusions about it are entirely wrong; it may be that I have no adequate conception of the principle involved; but the more I have considered it the more I am convinced that it is an absolute essential to any complete and desirable system of banking. Every argument which I have heard against it can be made with equal propriety against the great principle of insurance as applied to human affairs in all departments of business.

I am unable to draw a mental distinction between the idea of guaranteeing or insuring the money of an individual when it is deposited in a bank, which is a quasi public institution, and the idea of insuring his property against destruction by fire or his family against that loss and deprivation which might otherwise come through his death.

Mr. President, as a man's property and family are the foundation of his cares, his apprehensions, and his ambitions, so also are the collective deposits of the average man the foundation of our entire structure of banking and currency.

It is true, as has been stated here several times, Mr. President, that the primary purpose of this measure is to strengthen, enlarge, and perfect our banking system; but surely that embraces both the wisdom and the duty of safeguarding the man who deposits his money in these institutions as far as possible against the danger of loss. Senators have been extremely solicitous on both sides of this Chamber lest the issuance of notes by the Federal reserve banks should in some manner be affected by a lack of security, lest their value should decline because of their volume, lest the money of the United States should be brought into disrepute through some failure to provide against every possible contingency leading to that result; all of which, Mr. President, receives and has received my unqualified approval. I can imagine no duty higher than that which is imposed upon the legislator when framing measures concerning the circulating medium of his country than to safeguard it against every possible peril.

But, Mr. President, I regret that I have not heard more concern expressed for the man and the woman who, earning a little surplus money, are obliged to place it in the banks, whereby it becomes a part of the general deposits. They are the great body of the people, the small depositors, upon whose collective funds a first lien is imposed by this law for securing and safeguarding the currency issues therein provided for. Surely there should be a second lien, or if not a second lien, then some provision whereby these deposits may also be safeguarded to their owners, who intrust sometimes their all to the keeping of these great banking institutions.

Mr. President, in saying this I cast no reflection whatever upon the solvency or the integrity of our banking system or upon the high standing and character of bankers as a class; but we know that, so long as human nature remains unchanged, there will be failures and insolvencies in banking as in other lines of business; that so long as human nature is unchanged, in the business of banking, as in every other pursuit of man, individuals will embark in that business whose selfishness, whose dishonesty, whose ambitions, and whose temptations will interfere with the exercise of their duties with an eye single to the security and welfare of those who trust in them. These are the men, Mr. President, in every department of business and of life against whom all restrictive legislation is aimed. Experience teaches us that so long as these unchangeable conditions exist so long will there be failures, insolvencies, misappropriations of funds, and misapplications of deposits, followed by that eternal law in human affairs which imposes the consequences of

every man's wrongdoing more heavily upon the innocent creature than upon the guilty offender.

The Government of the United States, the States of the Union, municipalities everywhere require security for their deposits, no matter how solvent the depositaries may be. This is a wise practice, one which finds universal approval as regards public funds, even from those who deny and denounce its attempted application to the custody of private funds. There is not a bank in the United States which has an employee, however honest, capable, and conscientious, who is not required to give a bond to his institution indemnifying it against possible loss in consequence of his employment; yet such is the contradiction of human nature that the very men who recognize and apply this rule in other transactions denounce as unwise, as wrong in principle, and as socialistic in practice the proposition to throw the same safeguards around the deposits of that class of people which can least afford to lose them, upon the plea that it may result in the introduction of unscrupulous practices and the embarkation of dishonest individuals in the banking business, when both are so obviously possible that the public fund and the small employee are alike bonded for the general security.

So we have finally framed this measure, Mr. President, after committee labors and public debates and joint conference, after long and anxious consideration, by excepting from its terms this most salutary principle, which, in the form in which it has been introduced in the bill, was certainly of the most innocuous character as it affected the banks and their resources. It required the payment by no individual bank, by no banking corporation, of a single dime for the purpose; it simply provided that a part of the profits to be made by these Federal reserve banks, after the dividend provided by law had been paid, after the surplus had been taken care of, should be used as a fund for the payment of depositors of banks belonging to the system which might become insolvent.

Mr. President, I can not understand why our Senate conferees, all of whom I believe are favorable to the principle, and most of whom voted for the amendment upon this floor, should have yielded for any purpose or for any consideration to the House demand for its excision. Tell me that the House demanded it! Why, that is no reason. The conferees of the other House naturally stood for the bill which had passed that body. Why should not those who represented us upon that body have been equally insistent, equally obdurate, equally obstinate? I concede that there must be compromise wherever there is a serious division of opinion, which must ultimately in some common ground, or constructive legislation may be doomed to failure; but I can not escape the conviction that two men, Members of the other body, at the other end of this building, by their successful insistence upon having their own way, have become the ultimate authors of this legislation.

We have heard a good deal about caucus domination from our friends upon the other side, and have been reminded of the fact that a majority of a majority, which is a minority of the whole, has been conspicuous in the legislation of this session; but, Mr. President, we are now face to face with a more obvious and indubitable fact, that two men, Members of the majority party of the House of Representatives, have dictated the character and elements of this bill, to whose insistence the six representatives of this body finally surrendered what seems to be a vital element to its completeness, tempered only by the assurance that it will become the subject of legislation in the near future.

The conclusion which I draw from this result is, that our Federal legislation, in its final analysis, is the legislation, not of the Senate and of the House of Representatives, not of the committees of the Senate and of the House, but of the majority members of the conference committees of the two bodies, tempered largely by the staying powers and persistency of the most positive and dominating. And so this great measure is practically the result of the insistence of two determined men against what I believe to be the collective majority opinion and wish of the Members of both Houses as to this feature of it.

Mr. President, it is my impression also that the near approach of the Christmas holidays and the desire of Senators and of Members to get away from here and go back to their homes and their families has had something to do with the surrender of some of its vital provisions. Ah, Mr. President, I feel quite as strongly as any Member of this Chamber the ties of home and of family and the sentiments which prompt their reunion with the holiday season; but I am also conscious that we are sent here to legislate for 100,000,000 people upon subjects which they have defined and determined on. We have been engaged in considering perhaps the most important measure of this or

any other administration, a measure upon which hangs not only the hopes and the future of a mighty Republic, but a measure upon which the Democratic Party must stand or fall before the country, a measure which may determine its entire future, a measure which, to my mind, is of more supreme importance in its ultimate consequences to the Nation than all the tariff bills that have been drawn and enacted since the day when the Constitution of the United States was formally adopted. So believing, I think it might have been better for a little while to have cast aside our ordinary desires, to have forgotten Yuletide and the prattle of children, and to have devoted further time, if necessary—and I am not one of those who have been complaining of the amount of time consumed in the consideration of this measure, either in committee or elsewhere—to the end that when it finally evolved from the Congress of the United States and was carried to the President for his approval it would embody in principle and in phraseology as nearly as possible every element seemingly essential to its complete and unquestioned success.

I do not, Mr. President, by this mean to be understood as prophesying disaster to this bill; far from it. With all its imperfections, as I view it, it is a great and needed improvement upon existing conditions. I have both hope and faith in its immediate and ultimate favorable operation. I firmly believe that the banks, the people, and the Government, recognizing it as the best measure presently obtainable, will do what they can in mutual cooperation to make it successful in practical application to all the busy affairs of a busy Nation. Consequently, notwithstanding the fact that this, one of its chiefest and most important features, has been eliminated, I recognize that under all the circumstances it is our duty to accept it, and then get behind it and make it effective.

Mr. President, I should not have taken the time of this body to say a word upon this subject at this late hour if it were not for the fact that in a modest way I have been somewhat conspicuous in my advocacy of what is called the guaranty principle in the State from which I hail. There it became a vital political issue away back in the campaign of 1908, when the party to which I belong pledged itself unreservedly to the enactment of such a measure, and largely upon the strength of that pledge the State of Colorado for the first time went completely and unreservedly Democratic. The government and affairs of the Commonwealth were placed in the hands of that party, but, charged with every obligation of party faith, the legislature turned its back upon this with some other equally insistent pledges, ignored both the wishes and the welfare of the people, and failed to enact their pledges into legislation. It resulted in a schism which threatened at one time the supremacy of the organization, and which found expression two years ago in a reaffirmation of this principle, followed by a second triumph and betrayal. What I had to say at home about the manner in which the people's confidence was obtained and then betrayed by my party has made it wholly impossible for me to remain silent upon this floor, in view of the action of the conference committee in striking the insurance feature from the bill.

In conclusion I want to say that I shall do all I can, in season and out of season, upon this floor and elsewhere, for a national depositors' guaranty fund. When the Banking and Currency Committee shall make its report, embodying the principle of an insurance of deposits in banks coming into the new system, I shall see to it, as far as I can, that it is crystallized into national legislation and becomes a permanent feature of the banking policy of the United States.

And, Mr. President, I am satisfied that the time will come very soon thereafter when every banking institution now opposing this idea, as they opposed the establishment of the Postal Savings System, as their conservatism prompts them to oppose every and any change from the old ways, will perceive through the increasing confidence of the public in banking institutions and by the consequent increase of their deposits through the establishment of a feeling of security and confidence, that this is not only a salutary measure for the depositor himself but for those who receive the money of the depositors as well. In its practical operation but a few months will elapse before this system, as the Postal Savings Bank system now is recognized to be, will be hailed as one of those salutary and necessary improvements which benefit all sorts and conditions of men alike, but most of all those who have so long opposed it.

Therefore, Mr. President, while yielding, because I must and under protest, to the final conclusion of the conference committee, I certainly hope that my friends on this side of the Chamber, when we come to a codification of our banking laws, will realize the vast importance of caring for the needs and inviting the confidence of the depositors, of keeping constantly in view the interests and the welfare of the men and the women who con-

stitute the earners of this Nation, and whose little hoards in the banks mean all that stands between them and want when employment ceases and the real struggle for existence begins.

Mr. ASHURST. Mr. President, I wish to occupy only a moment of the time of the Senate, and I would not occupy even that much time were it not that I feel it incumbent upon me to express my regret that one of the most salutary reforms contained in the pending measure as it passed the Senate, and one which the Nation demands, has been eliminated by the action of the conferees.

The Senator from Minnesota [Mr. CLAPP] the other evening said he would like to draw a picture of three controlling six; but he might have drawn a picture of two controlling six, because I observe that the report is signed by two conferees on the part of the House of Representatives and six on the part of the Senate, and that the provision requiring an insurance fund to guarantee the depositors in failed banks has been stricken from the bill.

I wish to read a short excerpt which I have just clipped from Collier's Weekly, as follows:

A deposit-guarantee fund exists now in four States. The plan is working well. In 10 years it will be universal. A national guaranty fund might easily draw out a billion dollars of real money, not fiat money, now hoarded or buried, and add this real money to the banking strength of the country. Why should a united Democratic Congress, with a Democratic President—a combination that conceivably might not occur again in 20 years—fumble this golden opportunity?

My Democratic brethren, if we again "fumble" an opportunity, such as we have upon this occasion, it will be more than 20 years before we shall get another. I approve the bill generally, and trust that a bill guaranteeing deposits will be enacted into a law at an early date.

Mr. TOWNSEND. Mr. President, I have not heretofore occupied much of the time of the Senate in discussing this bill. I have known that debate was useless. I declined the opportunity that was given me to become a member of the Committee on Banking and Currency because it would have been necessary, in order to accept that place, that I should have been relieved from membership on the Committee on Indian Affairs, in whose work I am deeply interested and with which I had some familiarity. I desire now, just for a moment, to state briefly why I have not supported the bill and can not now support the conference report.

I believe that this measure is born of a political emergency, an emergency created by the Democratic administration. I am a partisan; I believe in political parties, and that parties in power should assume the responsibility for legislation. I have never had any fault to find with that doctrine; but I also believe that parties should be founded upon principle. I do not believe in parties that are established and maintained simply for political spoils. I do not think it is a proper course for a party to pursue to enact legislation affecting the great interests of the country, without due regard as to whether such legislation is right or wrong, in order to meet a political emergency.

I charge that this bill is a political measure, and one which does not meet the honest, uncoerced approval of a majority of this Senate. The best proof of that statement is the testimony of the Senators on the other side of this Chamber, who have repeatedly risen in their seats and found fault with it and suggested changes, which could have been made if such Senators had exercised their free will and honest judgment. The most conspicuous example, possibly, is the senior Senator from Nevada [Mr. NEWLANDS], who seems to have very profound convictions on matters proposed for legislation; but his gentle, loyal political mind surrenders to the party caucus on every occasion, and I can easily imagine the amount of suffering that that Senator has endured during the consideration of this measure and of the tariff bill.

I have stated that I believed this was a matter of political emergency. If it were not a political measure, having been made so by a seeming necessity, there is not a doubt in the mind of a single Senator in this Chamber that we would have had a different bill from the one now before us; we would have had a bill founded upon the needs of the country, and it would not be the one that we are now considering. This measure was framed and will be enacted into law at a time and under conditions when good financial legislation could not well be secured. The tariff bill has just passed and its results are not working out to the satisfaction of its makers. Something must be done to relieve that situation, and the currency bill is brought forward. It is well calculated to obscure the legitimate effects of the tariff. Something new and equally disturbing is now pushed to the fore, and neither the tariff nor currency bill can be tried on its merits.

Whether it is expressed or not, it is believed by its advocates that this measure will make money easy. Unless it

unduly inflates the currency it will certainly have failed as a political emergency measure. It is true that a number of years ago—18 or 20 years ago—the demand was for more money. Prices were low and it was said that we could not have good prices without more money; and yet at this time, when the claim is made that things are too high, thereby showing by the same rule that there is a redundancy of money, it is proposed to pass a law for political purposes which will make money more plentiful, without regard to its quality. Under existing conditions if such a result follows it will be a mistake. Such a law can not be passed and the country still maintain that stable prosperity, that sure progress which it has enjoyed and ought to continue to enjoy.

Furthermore, the bill is passed at a time when the country is disturbed over conditions not directly connected with banking and currency, but with the relations between capital and labor, with propositions to control the great trust question, with unsettled conditions of industry generally, with new schemes involving a reorganization of the Government itself, some of which questions have had their birth in the minds of ambitious and sensational politicians operating for political revenue only, at a time when legislators have been overworked throughout a long year's sessions. Under those conditions the public mind, as represented in the Senate, at least, is not in the most judicial frame for passing upon legislation which should endure during many years to come.

I think that this bill creates a political machine—one of the greatest political machines that has ever been created by legislation. Mr. President, the modern cry has been against political machines, and yet under the sanction of law it is proposed to create one whose possible baneful effects may control the finances of our country.

I referred a moment ago to the fact that the condition of the country is peculiar. The Democratic Party is in power, to be sure—in power not by the will of the majority of the people but because of a division among the opposition. One of the leading characters, perhaps the dominant character, in this administration is a man whose ideas on finance, whatever else we may say of him, have not been considered sound. I assume that not even a majority of the majority approve those ideas now. That his idea is to have more money there can be no question; and I am fearful that, inasmuch as it is possible to create a political board, one will be created; and, having created such a board and given it unlimited power, lodging in it great discretion as to the issue of currency, having given it the power to appoint all the employees of the system, we will have a machine which, it seems to me, it is unwise in every particular to create.

It is undoubtedly true that there are some features of this bill which are good, but I submit that the 25 per cent bad, to which the Senator from Massachusetts [Mr. WEEKS] referred, is sufficient to vitiate it all. I do not believe that the existing law is 25 per cent bad. That law provides for emergency currency and is good enough until we can get together in a non-partisan manner and enact a law which will not be dictated by the ambitions of politicians or by the necessities of a political party in trouble. Every candid Senator will admit, if he consults his honest convictions, that we could have had not only a better bill than the one before us but a good one if partisan politics had been eliminated and an honest effort made to get the best.

I said it was a bad time to pass this law. We have just passed the tariff bill. We now propose to pass a currency bill. Suppose, for argument's sake, that the country shall go "wrong," as we use the term, suppose that conditions shall not be what they ought to be, to what cause are we going to charge that condition?

Some of us insist that because these bad conditions had begun before this law was enacted they are due to the tariff; other gentlemen will insist, possibly, that they are due to the currency legislation. Where are we going for the remedy and where are we going to apply it when we think we have found it—to the tariff or to the currency, or to both? Must the next Congress, in its efforts to bring relief, revise both the tariff and the currency laws? It has seemed to me that with the emergency currency law which is now on the statute books we could well have tried out one of these great experiments at a time. Then we would have known exactly the cause of the trouble, if trouble should exist.

So, Mr. President, believing, as I do, that this bill is not carefully framed, believing that it is possible under it—nay, probable under it—to inflate the currency to such an extent as to bring disaster to the country, believing that it is framed upon partisan lines for political purposes and that a currency bill

should not be a partisan measure, believing that instead of restoring order it will add to existing confusion, I have felt it my duty to vote against it in the past, and I shall feel it my duty to vote against this conference report.

Mr. LEWIS. Mr. President, how much time is there yet undisposed of on this side for those sustaining the report?

The PRESIDING OFFICER (Mr. SAULSBURY in the chair). The Chair is informed that there has been no division of time whatever.

Mr. LEWIS. Mr. President, I am conscious of the ability of the members of the Committee on Banking and Currency to discuss the merits of this measure to a degree so much superior to anything I contribute that I will not trespass upon that field. Nor, sir, would I mar the effect, certainly the success, of any discussion they may offer upon the correctness of this measure. I shall intrude myself upon the Senate for a few moments to indulge one or two observations that have suggested themselves to me as I have listened to the eminent Senator from Michigan [Mr. TOWNSEND] and the able Senator from Kansas [Mr. BRISTOW].

I came into the Chamber this moment when the very enthusiastic and energetic senior Senator from Kansas was, with his usual vehemence and always admirable declamation, pouring out his invective upon those who were the creators of this bill. He expressed with unqualified malediction his prophecy as to the ruinous effect of its operation. Then, when he was followed by the versatile Senator from Michigan, it became evident to my mind that these eminent Senators really are haunted with the specter that there is in the distance somewhere, not now to be located, some danger, and they wish to cry out against it that they may get credit for sounding the alarm. Though they do not see it, yet they would have the country understand that it is approaching. They do not exactly understand in what form it is stealing upon us, but they wish to have the country understand that whatever it is, they wish to be held as having "spied it first" and to have early disclaimed responsibility for it.

The philosophy of these distinguished Senators seems to be compiled and expressed in that famous quatrain that has come lately to us from the humorous poet in the phrase:

I never saw a purple cow;
I never want to see one;
But I will tell you, anyhow,
I'd rather see than be one.

[Laughter.]

I will say to the distinguished Senators that with all the "bills" they may perpetrate upon the Senate they need have no fear of being impaled upon the horns of this imaginary purple cow which somewhere upon the road is supposed to collide with their vehicle of progress.

The able Senator from Kansas seems to have an idea that a very great machine called centralization is quite on the way to disturb the democracy of this country. But the distinguished Senator from Kansas did not hesitate, in his very able addresses, to propose to the Senate the creation of a single central bank in the United States of America, with a single head, with a single body, with various arms—arms truly of Briareus, eyes of Argus, and strength of Hercules—that could, with all the force of ancient and modern power, grip the Republic in a single hand and tyranny of centralism—an institution that would only relax its control whenever to do so served the political uses of the political party in power or crush the Nation when it declined to yield to its dictates. Yet this is the able Senator who inveighs against this bill for fear for what he says is centralism.

My learned friend from Kansas has not hesitated to give his approval in the past to all that system of government that has turned over to the Federal power as against the local home-rule or State government those instrumentalities that centralize all power in the Federal Government under the theory or designation of a Republican Party domination. The conscience of the wrong of all this that has lately come upon him as against centralization seems to be a new birth and a new baptism. I would welcome him to the creed, and likewise to the conversion, but I would rather see it in acts of performance than in mere profession of words.

What is the grievance of the able Senator from Kansas? It is that in this bill there are some elements to which he can not give his accord.

Will the distinguished Senator from Kansas certify to his country that with the platform of his party demanding that there shall be currency reform, and having demanded it in the last eight gatherings—certainly in the last four national conventions—that the Republican Party shall, as far as he is concerned, make the declaration but shall do nothing toward its performance; and that when something is done by the Democracy it shall be defeated, however filled with blessings, however

faithful to its promises, however full in its relief, merely because it comes from the Democracy?

Surely that can not be the sentiment of a patriot; and that the distinguished Senator from Kansas is patriotic we are ready to concede.

The objection lies solely and wholly, if I do not misunderstand him, in the creed of his saying, in effect, "Either the scheme I present or none. The country may be in want, but it will take the bread I improvise or none. It may thirst upon the road, but it will take water from my cup or it shall thirst to its death. It shall continue in all its distress unless it takes its remedy in nostrums from my hand. If it shall not bear the credit of my name, my distinction, and my authorship, then be it the House bill or the bill from the Senate house which may tender remedy—in the language of Mercutio to Montague and Capulet, I shall cry out 'A plague upon both your houses.'"

This may in certain regions of this country go for statesmanship, but with the small wisdom that I am able to summon up I can but impute to it a temporary political expediency which will not serve an enduring or ennobling use.

When I saw my learned friend from Kansas turn from his past faith; leave off the pursuit of his old hope, and colleague with those Senators on the other side whom for days and days in the last two years he has been holding up to the execration of his country; when I recalled his past, that when he sought the votes of Kansas at any time successfully, he got them by crying out the names of GALLINGER, ROOT, and PENROSE, and by the names of this Mephistophelian trinity was enabled to win the approval of Kansas and the restoration of himself to the confidence of the people; I was pained to note that upon the very first opportunity coming to him he was found casting his vote with these gentlemen, with these eminent Senators, according to the views they possess, these which had for so long been denounced by him as the source of all public danger. Mr. President, I could not help but conclude that the Senator had awakened to a fancy that there had come a time when there must be a change in his course. That if there is to be a hope in Kansas, his hope must be anchored there with the accursed and condemned of yore. That he had made a mistake in assuming that his past course had profit or political return, and that now he must return to the black mansion where ruled the tyrant trio.

I remember, Mr. President, that somewhere in the sacred songs we hear in the revival services there is something that goes like this:

There is a fountain filled with blood
Drawn from Immanuel's veins;
And sinners plunged beneath that flood
Lose all their guilty stains.

Mr. President, I fancy I can hear the distinguished Senator from Kansas in his new conversion improvising and paraphrasing that, in its application to these distinguished Senators, men whom heretofore he has so indicted before the country, his new chant to be:

There is a fountain filled with gold
Drawn from corporate veins;
And if I can be gathered into its fold
I may lose my Progressive stains.

[Laughter.]

Truly, the distinguished Senator from Kansas may take to himself what consolation this new religion may afford him, and ultimately he may feel that he will have his reward. But now he turns to these singed and ancient forbears of the party against which heretofore he has cried out so greatly, but with whom he now allies himself at the moment of his emergency, when he approaches a conflict in Kansas in which by their aid he thinks he has much to hope, but, I fear, little to gain. The Senator possibly now feels that from these only he has his succor, and possibly he turns to them now as he once clung in ancient faith; and in the language of that sweet and gentle admonition of Ruth to Naomi, we can hear him again exclaim to "PENROSE, GALLINGER, and ROOT":

Entreat me not to leave thee nor from following after thee, for wherever thou goest I will go, wherever thou stayest I will stay, and wherever thou *rest* [laughter] there, too, will I lie [laughter] and be buried also.

[Laughter.]

And, Mr. President, I dare say when these new redeemed gods of Belial come to speak of the Senator in the future they will no longer refer to him contemptuously as the "long hair." He will no longer be designated as one who has gone wrong, and as an "anarchist"—no, no! I deplore the suggestion that rises within me. It will be none of these. It will no longer be, sir, "the brave BRISTOW from dauntless Kansas." No longer will it be "the independent JOSEPH BRISTOW"—alas, oh, no! In recognition of the contrite position he has taken at their

altar, of the worship he has poured out at their throne hereafter, he shall be accepted in full faith and designated as "St. Joseph, our long-lost brother." [Laughter.]

Mr. President, out of the sense of esteem and sweet affection I have borne the distinguished Senator from Kansas because of what I felt to be his pure motives, I regret to see this departure and this surrender. Hereafter these devils of contrivance—these three Senators named—which have been held up by him to the execrations of this country, are no longer to be regarded as enemies. They are now the heroes of the salvation of the Nation. They are now the exemplars of divinity. They are the sole trinity of pure progress and virtue for the future, as far as the vote of the distinguished Senator from Kansas can certify. There he will be no longer astray, though for some years out of the fold, shivering like the naked beast of burden, seeing the provender distributed to others who were saddled and bridled—he prefers to turn to where he can be ridden and driven by those whom he hopes can drive him safe to a distance just beyond which to what in navigation would be called a harbor and in politics would be termed a refuge.

Mr. President, out of my regard for him I call him back. In the language of the philosopher poet, I cry to him:

Behold your host, noble scholar and student.
Look you! that no longer you should roam;
But to the glory of your fame,
To the honor of your name,
Turn about and come home.

The Senator from Michigan [Mr. TOWNSEND], ever pleasing to me—sir, there is no man who rises upon his feet here who, I assert, contributes more of sincerity, of sweeter eloquence, more accurate diction, or more delightful rhetoric than the able Senator from Michigan—what says the able Senator from Michigan from his point of view? He exclaims that there will be a panic from this bill.

Mr. President, I have not seen a measure proposed here on the floor of the Senate from the Democracy that some distinguished Senator on the other side has not found it convenient to rise in his place to summon the American country to view the fire that is being lighted; the incendiary hand that is lighting it, and the desolation that is just ahead, because some measure of legislation has come from the Democracy. Says the Senator: "This is a political bill!"

What does my distinguished friend expect in a political government? The bill, I desire to say to the Senator from Michigan, for two months and a half was before the Senate under the able leadership of the leader of this side and under the conscientious cooperation of them all, each and all of us endeavoring to make it a nonpartisan and nonpolitical bill. What aid did we get from the distinguished Senator from Michigan? That committee duties may have called him away justifying his absence, I will not deny; but the roll call will indicate an absence more profitable to the committee he was serving than to the Senate. Then I ask, What aid did the Democracy get in seeking to make this a nonpolitical measure? What encouragement from the distinguished Senator's colleagues? None. Where was the cooperation of those who should have come to the Democracy to aid it in carrying out the will of the people as expressed at the ballot box or in platforms? It was absent. Where was the effort on the part of the distinguished Senators on the other side to rescue the measure from the air of politics, in order to give it a business air and a nonpolitical character, that the country might obtain relief from it as ordered by both platforms—theirs and ours? The answer is, There was none.

Why? Because eminent Senators such as the distinguished Senator from Michigan feared that in the natural result of affairs some credit might fall to the opposite political party, and rather than have that small credit come to the Democracy they would defeat to the people the great benefit that would go to the country.

Then what was left? The Democracy, after long indulging the able Senators on the other side, calling them, sir, without hope, because the effort had been a failure, was compelled to take its resort to the only course left, that it might carry out the will of the people. This was under party organization, by the Democratic Party—that party that had been designated at the ballot box to carry out the reliefs for which the people had voted.

The learned Senator is right. The bill is political, political to the extent that it voices the political ideas of the people of this country, political in that it expresses in legislation the platform of the Democracy and that it now speaks the hopes of the Democracy for the welfare of the country. To that extent alone is it political.

Says my friend, "It will bring about machine control." Well, that there may be 10 or 12 men who may have a small control of the organization of the financial system—as all things must

be controlled—I will concede. But where was the voice of the able Senator or his colleagues when, under an earlier organization, one man, the Comptroller of the Currency, had the control? Under the Aldrich-Vreeland bill, presented here in a preceding Congress, while the Republican administration was in power, shall it not be recalled that centralization there rested in three men, and they under no control of the Government at all, if I may read the English language?

All things must be guided, honorable sir. To some men each system must be intrusted. The people have intrusted to us the administration and given to the Democracy the power to execute their will. Then to those must be intrusted the bill passed by the legislative body.

But my friend, the able Senator from Michigan, still, in the words of Polonius "harps upon my daughter." He recalls, no doubt, his support of the resolution of the able Senator from Kansas [Mr. BRISTOW] that sought to condemn the Secretary of State at a time when it was assumed that the Secretary of State, Mr. Bryan, was giving some of his time to public discourses before the country. The dual combination of the fervent, impulsive, and generous Senator from Kansas and the calm, philosophic didactician from Michigan is always found whenever the name of Bryan is suggested or the possibility is opportune of some voice against him where he can not speak for himself.

Says the learned Senator: "There is the hand of Bryan upon this currency." I do not know whether the learned Senator from Michigan contrived that from his brain or whether it was born from a certain fatuous fetish worship I have observed on the Republican side of the Senate, that whenever the senior Senator from New York [Mr. ROOR] arises and says a perfectly evident thing in an extraordinary manner, yet with much hesitancy, as if he were in doubt himself about it [laughter], promptly there arise upon his side his generous worshippers, and lighting their tapers before his shrine cry out: "Me, too! Correct you are, noble sage, reverend philosopher—how true!" Promptly upon the assertion by that sage that upon this bill were the marks of what he termed, if I recall his expression, the "heresies twice repudiated before the country," whatever he meant by it—referring to the Secretary of State—trusting as the distinguished Senator from New York did that he might arouse some old prejudice that had previously prevailed, awaken some fear; light some alarm—the able Senator from Michigan, ever alert and ever conscientious under ordinary conditions, likewise rises in his place, and, if I may use the barnyard illustration, when the great Shanghai crowed, the lesser brood flapped their wings and cock-a-doodle dood. [Laughter.]

Has it come to this, that able Senators of respectability and conceded capacity can find no other argument against measures than to seek to revive old and ancient differences long since disposed of, and that when the country is once again united, when we are in harmony, when the ridges that once divided us, the chasms that once separated us are all closed up and we are again seeking the common good, the common welfare, to give peace, prosperity, and happiness to a united people in our common country?

Sir, since it pleases my able friend to conjure confusion by the name of Bryan, therefore reflecting an imaginary cloud upon the Democracy because he was its leader; I invite him to recall what has been the effect of the teachings of Democracy when this man was its standard bearer. Where are those denunciations against the position taken on the election of Senators by the vote of the people? The eminent Senator was the first afterwards, when the public were aroused to the justice of it, to cast his vote in affirmation of the doctrines which were preached and those which were advanced by the gentleman he now condemns.

Where was this doctrine, sir, of primary election, by which the people should express themselves directly at the ballot box, condemned on the part of eminent Senators on the other side as being in violation of the Constitution, anarchistic, socialistic, revolutionary, contravening every doctrine of common sense and patriotism—where? Why, adopted by the vote of the distinguished Senator from Michigan and his colleagues. One after another the reforms proposed by the Democracy when the present Secretary of State was its leader have been espoused in the platforms of one wing of the Republican Party, designated as Progressives, and adopted, whenever there was a hope or desire of success, by the other, called the Republicans.

If the distinguished Senator from Michigan will pause to reflect, there will be borne in upon his mind that the great people outside of this Chamber are not deluded. They are conscious of the great issues. The Democracy has been placed in power. It received its mandates from the ballot box. One of them was to wrest the money control from those who had abused it, and to place it in the hands of those who would

administer it to its honor, while they gave life and opportunity and prosperity to the great mass of the people.

The measure has received its birth from the Democracy. If there be any amendment or changes necessary to perfect its life, they will come in due time, and in due and proper way, from the hands of those to whom the people have intrusted the subject. The Senators need have no fear. That duty will not be shirked. It will not be abandoned. It will never be surrendered.

There is before this country a united Democracy. She stands upon the principle of the constitutional right of every citizen, however situated. Her doctrine is, Sovereign citizenship to the humblest man; equal rights to the poorest citizen. There she rests herself to-day, and rejoicing in her reunion, she says to her fellow mankind, paraphrasing Philip of Falconbridge in King John:

Now that our princes are come home again,
Come the three corners of the world in arms,
And we shall shock them. For naught can make us rue,
If Democracy to itself do rest but true.

Mr. TOWNSEND. Mr. President, I shall not attempt to present many facts to disturb the picturesque Senator from Illinois—

Mr. LEWIS. I can not hear the Senator. I can not afford to lose anything he says. May I ask for order for the Senator?

Mr. TOWNSEND. I merely wish to call attention to one matter to which he referred, which might be taken seriously, although I doubt it.

The Senator stated that if the junior Senator from Michigan had been present in the Senate, he might have assisted in framing this bill. That, of course, is a part of the humor of the speech of the Senator. As if any Republican Senator would have been permitted to assist in that work! The fact is that while I was away during some of the time the Committee on Banking and Currency were considering this bill, and nothing was before the Senate, I was away under the order of the Senate with the junior Senator from Arkansas [Mr. ROBINSON] on the work of the Senate.

I doubt if any man has been in the Senate more than I have been during my term of office. I am always in my seat. I am here when the other side of the Senate Chamber is practically vacant. I try to attend to the duties of my office. If the distinguished Republican Senators who are members of the committee were unable to impress themselves upon the committee, I do not know what I could have done sitting here in the Senate when the bill was not before us.

Mr. SHAFROTH. Mr. President, I regret very much that there has been criticism on the part of the Senator from Minnesota [Mr. NELSON] and the Senator from Kansas [Mr. BRISTOW] as to the action of the conferees with respect to this bill. They seem to ignore the fact that every tariff bill that ever has been passed has been the result of conference; and not only that, but conferees have been appointed at the end of whose meetings the members of the opposite party were not permitted to appear and to consider the matter.

I wish to say that the Senators who have been criticizing the procedure stand in high esteem on the part of every member of the conference committee, but their action has been precipitated by themselves.

Mr. BRISTOW. Mr. President, will the Senator yield to me to correct a statement? I understood him to say that every tariff bill had been conducted in the same way in conference. I challenge the statement, and I do not believe he can point to a single tariff bill in connection with which a conference has been held in this way.

Mr. SHAFROTH. I asked several Senators if that was not true. I know the last tariff bill was passed in that way.

Mr. BRISTOW. Yes; but that is the only one.

Mr. SHAFROTH. If it was not done previously, it was just due to the fact that they had such an overwhelming majority that it was not necessary to bring together the members of the party with relation to it.

Mr. SMOOT. Mr. President, I simply wish to say that the Senator is mistaken, as far as the Senate is concerned, when he makes the statement.

Mr. SHAFROTH. I know it has been done in almost every instance in the House.

Mr. SMOOT. I know nothing about the House. I am speaking of the Senate. I do know that the statement is incorrect, so far as the Senate is concerned.

Mr. WILLIAMS. If the Senator will pardon me a moment, while I can not lay my hand on it now, my recollection is that the late Senator from Virginia, John W. Daniel, made a speech upon the floor of this Chamber in which he said that he and the other senatorial conferees were not invited in, except at the

very last moment, to be told what had been done, in connection with the Payne-Aldrich bill. That is my recollection.

Mr. SMOOT. The Senator from Mississippi, I think, is mistaken. The Senator from Virginia, Mr. Daniel, complained of the fact that the hearings upon the bill were held in the presence of the majority of the committee, and without the minority being present, and that they were called in after the bill was completed; but he never complained that that was the case in relation to the conferees.

Mr. WILLIAMS. I may be mistaken, but that is my recollection. I will try to hunt it up.

Mr. OWEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Oklahoma?

Mr. SHAFROTH. I do.

Mr. OWEN. I wish to call the attention of the Senate to the RECORD, on page 4783, August 2, 1909, after Senator Daniel complained of the action of the majority of the committee of conference, when Senator Aldrich used these words:

I may say, in passing, that I was one of the managers on the part of the Senate on the act of 1894. The Democratic members of the conference committee never invited me to be present at a meeting. I never attended a meeting of the conference committee, and I never expected to. I supposed that the gentlemen who were responsible for the legislation of 1894 would prepare that bill and agree, if they could, with the Members of the House of Representatives as to what its terms should be.

Senator Aldrich then says:

When the conference upon this bill was appointed I, within an hour, called a meeting of all the managers. I stated to those gentlemen that we expected to proceed in the usual course, and that the Republican managers on the part of the Senate and of the House would come to an agreement as to the terms of their report.

And that is what they did do. They signed their report. That is shown here in the RECORD.

Mr. WILLIAMS. I am correct about Senator Daniel complaining there because he was not called into conference?

Mr. OWEN. You are.

Mr. WILLIAMS. I thought I was.

Mr. SMOOT. I remember very well the statement of the Senator from Virginia, Mr. Daniel, and I know the statement he did make was that the Republican Members met for the discussion of the bill before the members of the committee were called in.

Mr. SHAFROTH. Mr. President, the chairman of the Banking and Currency Committee of the House last night said when the Aldrich-Vreeland bill was brought before the consideration of the Committee on Banking and Currency, although he was the ranking Democratic member, he was denied any access whatever to the consideration of it in the conference.

Mr. WEEKS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. SHAFROTH. Yes, sir.

Mr. WEEKS. I should like to correct that statement made by the chairman of the House Committee on Banking and Currency. He has forgotten what really happened. In the first place, he was not the ranking Democratic member of the Banking and Currency Committee of the House. In the second place, I was one of the conferees on that bill, and Democratic Senators and Democratic Members were present and took part in the consideration of the report in conference.

Mr. SHAFROTH. All I know is the statement of the gentleman.

Mr. WEEKS. His statement is wrong, and it should not be quoted by the Senator from Colorado.

Mr. SHAFROTH. The chairman of the Banking and Currency Committee of the House last night made that statement.

Mr. NORRIS. Mr. President—

Mr. SHAFROTH. I yield to the Senator from Nebraska.

Mr. NORRIS. To my mind if there is something wrong, and I believe there is, in the conferees of one party not calling in the members of the conference committee who belong to the other party, does it help the matter any for one party to cite the precedent of another? I should like to ask the Senator from Colorado if Senator Aldrich, on the bill that has been talked about here, did exactly what the Democrats are doing now, in refusing the other conferees any consideration, does he think the precedent set by Senator Aldrich is a sufficient justification for the action of the present Democratic conferees?

Mr. SHAFROTH. Mr. President, I will say in reply that whenever a question that is before the Senate or the House partakes of the nature of a political question it is almost indispensable that there should be conferences of the Members of the Senate of that political party which favors it. It may be said that this is not a political question, but we know that it is.

We know that the most violent differences of political parties have occurred upon the very question of currency and banking. We know that in the platforms of the parties, nearly every time the conventions of the respective parties meet, there is always something containing an outline of the view of the party upon this question.

Mr. NORRIS. Mr. President—

Mr. SHAFROTH. I would rather not yield unless the Senator requests it specially.

Mr. NORRIS. I will not interrupt the Senator unless he wants me to do so.

Mr. SHAFROTH. In this case we met for the purpose of considering the bill, and we found from the conditions before we got into conference that there were irreconcilable differences, differences that did partake of a political nature. The Democratic platform contained a provision condemning a central bank, and yet every Republican member upon that conference announced that he was in favor of a central bank and would take just as few banks as he possibly could, in order to make it come as near to that ideal as he could. I have no criticism to make of that view. It is natural that they should have that view. It is in the line of centralization, and we have their arguments for it, and there are some good arguments. But here was a proposition that came right up against the Democratic platform, and yet to say that did not naturally come from political difference is to ignore language.

Mr. GALLINGER. If the Senator will permit me—

Mr. SHAFROTH. I yield to the Senator from New Hampshire.

Mr. GALLINGER. The question of one central bank was not submitted to the conference at all. It could not be submitted to it.

Mr. SHAFROTH. I say when they expressed themselves they favored it. I am talking about the situation that has grown up. We have the authority for that. We find that the question then came as to whether we should have four or whether we should have eight or more reserve banks. We found as a result of that that there was a sharp division, the Republicans being upon one side of that question. Then we found that other differences arose. We found that they were willing absolutely, in our minds, to destroy this bill. The bill had been introduced as a measure of a bank for banks, and it was the object and purpose of the measure as voiced by the Democratic sentiment that it should be a bank of banks, and whenever you attempted to take away the directorate it could not be a bank of banks. Therefore, in our judgment, if a single bank should ever come into it, thereby the whole scheme of currency and of bank reform would have been destroyed.

Mr. GALLINGER. Will the Senator permit one further suggestion?

Mr. SHAFROTH. Yes, sir.

Mr. GALLINGER. The Senator from Colorado surely was not afraid that three Republicans would outvote the six Democratic members of the conference committee?

Mr. SHAFROTH. I am describing what occurred in full. It was not the conference committee, but I want to lead up to the situation, and I wish to show our position in relation to the matter. Here were differences that were marked, differences that absolutely would change directly opposite to the policy which had been thought to be best in the framing of the bill in the first instance. As a result it was manifest that we could not meet as a full committee and perfect the bill. The Senator from Nebraska [Mr. HITCHCOCK] recognized this difference and said the parting of the ways has come. There was pending at that time the very question whether we should have four or whether we should have eight or more regional banks, and also, I presume, we had considered the question as to whether it should be a bank of banks. At least there had been a great expression upon the matter.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Mississippi?

Mr. SHAFROTH. I do; but I can not make an argument when I am constantly interrupted. I yield to the Senator.

Mr. WILLIAMS. In the interests of historic truth, it is so seldom that the Senator from Utah, as a matter of fact, fails in his memory as to what occurred on this floor that I wish to read a few things that Senator Daniel did say. He said:

I have three times called the attention of this body—

That is, the Senate—

I have three times called the attention of this body to the fact that conferees of the Senate—three in number—have been hindered, impeded, thwarted, and overturned in their efforts to discharge their duties to you as honest representatives and to the country which they respect and desire faithfully to serve.

That is, the conferees now; not the hearings upon the bill. He further said:

The Senate did me the honor—and it is one that I profoundly appreciate, although I fear it was much more earned by the length of my service than by any abilities that could be fitly attributed to me—to include my name in the appointment of the following Senators as the conferees on this immense tariff bill.

Then he names the Senators.

I desire to say to you, Senators, that I have done the best I could in my feeble way to exercise the duties which you under the law saw fit to impose upon me.

Still further, he says:

A solemn and honorary bond had been entered into by word of mouth between the chairman of the conference committee and the Democratic conferees that they would be called as soon as the bill was ready to be acted upon—

Now, that was all Daniel hoped for, all he expected, all he demanded.

With a view, of course, to their voting for or against it.

I will state here, as I have previously stated in the Senate, that we were so called after the bill was first recommended by the conferees, and it was in pursuance of a right then recognized and of a practice then performed. Accordingly, on that morning at 10 o'clock, in pursuance of that agreement and that understanding, the Senator from Texas and myself reported ourselves at the conference committee in the annex. In the chair sat the chairman, the Senator from Michigan [Mr. Burrows] sat on his right flank, the Senator from Pennsylvania [Mr. PENROSE] near by, and I noticed the Senator from Maine [Mr. Hale], and the Senator from Illinois [Mr. Cullom] also there. The question was asked, "Gentlemen, are you ready to submit the bill to us?" "No; there are five or six things in the bill as to which we have not reached a conclusion."

I came over to the Capitol Friday morning, and I stayed here all day until just before 5 o'clock that I might be in reach of the call of the committee, who intimated that they might be ready that afternoon. When I went from here I went down to the annex—right by them. The day sped. The chairman of the committee—whether he had signed the report or not I do not know at the moment—went out, where I had a short time perhaps preceded him, where we expected the Wrights to fly their aeroplane. I did not know until the next day that that committee, which was in default of a faithful and honorable promise to me and my associates, had reported to the House.

Whether the Senator from Virginia was right or wrong, I was right in saying he had made the complaint.

Mr. SMOOT. Mr. President, I do not want to take the time of the Senator from Colorado, but from the RECORD read I see that the Senator from Virginia not only spoke of the hearings before the bill was reported to the Senate but also of the conference as well. I admit my memory was at fault as to the conference.

Mr. WILLIAMS. I am always delighted to find the Senator from Utah wrong about his recollection of a fact which took place in the body of the Senate. I gleaned that from the newspapers, and I was certain I was right.

Mr. SMOOT. I will say that I never in my life nor will I ever as long as I am a Senator make a statement on the floor of the Senate that I do not believe is absolutely correct. I think this is about the only time that I was ever mistaken, and in this I was only partly mistaken, because the Senator from Virginia referred both to the hearings and to the conference report, and as I remembered he referred only to the hearings.

Mr. OWEN. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The Senator from Colorado will proceed.

Mr. SHAFROTH. As I was saying, here was a committee that met for the purpose of considering this bill and to settle the differences that existed, which had developed through the hearings and during the consideration after the hearings. It was manifest that no bill could be agreed upon while there were Senators upon one side and Senators upon the other. We could have voted until doomsday, and if we had waited until somebody yielded we never could have reported it.

It must be remembered also that some of the Republican Members were very violently opposed to this bill. The Senator from Kansas [Mr. BRISTOW] said upon one occasion that it was the most iniquitous bill he had ever read in his life. When you meet under those circumstances you must expect that Senators will justify themselves in voting for anything in order to defeat a bill. We regarded not that they intended it that way, but that it would result in that way; that whenever they attempted to deviate this bill from the very foundation of it, from the very elements that entered into it, making it not a banker's bank, there could be but one result, and that result would be the destruction of the bill, because the bankers would never come into it under any other circumstances.

That being the case, what was it natural to do with those who believed one way? It was just as the Senator from Nebraska said—the time of the parting of the ways had come. Of necessity there was a line between the Democrats and

the Republicans, and necessarily there must be cooperation among the Republicans as well as among the Democrats. That made the justification, and it made a clear necessary condition that must arise in the consideration of a bill.

Mr. President, following that we had a conference and that conference agreed upon a bill. The Republicans criticized the Democratic conference, but nevertheless we could frame nothing without that conference. That course was absolutely indispensable if we wanted any bill at all.

Of course the discussion occurred upon the floor of the Senate. Then the conferees were appointed. I have no doubt but what every man who was appointed upon that conference committee regarded that this would be the way in which, in the first place, the bill would be considered by the members of the conference committee of the Senate and House. First, the Democratic conferees would discuss the matter and then the Republican members of the conference committee would be asked to come in and make any suggestion. That was done, and as has been described by the Senator from Oklahoma, there was no suggestion offered.

That must inevitably be the rule. They naturally said that we had made up our minds on it, and they did not care to do it. But that of necessity must be the rule wherever you have a political measure or a question that political platforms have divided upon.

Now, then, I refer to what Mr. GLASS said in his argument before the House of Representatives last evening. I want to call attention to the exact language he used, because he described the situation. He says:

Then we were treated just now to the one-minute gush of the Wyoming geyser. [Laughter on the Democratic side.] He is still "harping on my daughter," and talking about "caucus rule," and the exclusion of the Republican conferees, forgetting the fact that when the Vreeland-Aldrich bill was passed by a Republican Congress the Democratic conferees were excluded. I remember that fact distinctly, because I was one of them. I was not admitted to the room until Senator Aldrich on the one side and Representative Vreeland on the other had completed the draft of the bill. Then I was asked in and had it handed over to me. [Laughter on the Democratic side.]

That is the testimony as to what occurred in the conference between the Senate and House as to the form of the bill.

The Senator from Michigan [Mr. TOWNSEND] attempts to make out that Mr. Bryan is at the bottom of this bill and that it is a complete surrender to his views concerning banking and currency. Yet we only an hour ago heard the Senator from Kansas [Mr. BRISTOW] say that we had absolutely surrendered to the banks in this matter. I take it that when there comes from one side of the Chamber a condemnation of the bill because it represents the views of William Jennings Bryan and then from the same side of the Chamber, and both the men voting together upon every question, we hear that it is an absolute surrender to the banks; there is something of an inconsistent nature in the propositions that are made there.

The conferees, as well as the members of the Senate Committee on Banking and Currency, have tried to make this a good workable bill. We found that people had fundamental ideas that would not agree with ours. We found that they were voting that way, and voting solidly. As a result, it caused this difference. It necessitated a conference committee, and that the members upon one side should get together and arrange the matter and in every way perfect the bill according to their ideas.

If we had differed on immaterial or inconsequential matters it would have been different, but when you strike the very foundation of the bill, with an attempt to change it from a bankers' bank into one of a different kind, which, in our judgment, would absolutely have destroyed the bill, of course there is no use saying that modifications or changes could be made; their work would delay a report or produce a deadlock in conference.

Now, I want to say simply this, that there has been an attack made upon the chairman of the Committee on Banking and Currency. I think it is as unfounded and improper as any attack could be made. There are items in the bill that are in some instances in favor of State banks and sometimes against State banks, sometimes in favor of national banks and sometimes against them. I defy any man to point out the action of the chairman of this committee in ever having a line of conduct in his votes that would indicate he is favoring any bank he may be connected with. There are various things that he might be interested in, if you are going to attempt to show relations that are so remote as that a person being a director or a stockholder in some small bank, he is controlling in any manner all the credits of the country.

We find, in the first place, the question of the Federal reserve board. It has not a banker on it. Did you find the Senator

from Oklahoma voting in favor of the bill—in favor of putting any banker on the Federal reserve board? Oh, no; you found that he was absolutely insistent upon the fact that there should not be any banker upon the Federal reserve board. Yet, according to the statement made by the Senator from Kansas, you might expect that he was going to frame a bill here in the interests of his own little bank in one of the towns in Oklahoma, and that, therefore, he would vote in favor of anything which would aid or assist that bank. Is that a fair imputation? Is there anything that should receive the indorsement of anybody in a statement of that kind?

Now, you have heard the declamations made upon the other side in favor of not forcing the banks into this system. It is said that it ought to be sufficiently attractive for them to come into the system. That has been urged repeatedly by Member after Member upon the other side of this Chamber. Yet did you hear the Senator from Oklahoma, either before the bill was framed or after it was framed by the committee, or on the floor of the Senate, uttering one word in favor of making it so attractive that the banks would come in voluntarily? Yet from the inferences which are to be gathered, because the Senator from Oklahoma owns a little stock or a little bank down in Oklahoma, he would subjugate his judgment in order to advance his private interests. We do not see that that criticism can possibly be considered seriously by anyone.

Mr. President, I have been informed that we are probably taking more time than we ought to take on this side, and therefore I will not go into an analysis of this matter with relation to the Senator from Oklahoma any further. I merely want to say that the purpose and object of the bill is to create a discount market, to mobilize the reserves, and to establish an elastic currency. That is what the bill does, and I am satisfied that it will meet with the approval of the American people.

Mr. GALLINGER. Mr. President, I propose to take but a few minutes in this discussion.

For myself, Mr. President, I have been here, as some of you know, a long time. It has been my privilege to serve on a great many committees of conference, and I have never yet served on a committee of conference where the entire membership of the conferees on the part of the Senate were not called into consultation at the very beginning. If that rule has been departed from, either in the past or in the present instance, it is a very unfortunate circumstance. The matter of a conference was established in the very first Congress that was held in this country, and the theory that was then laid down—and I assume almost all Senators are familiar with it—applies to-day as much as it did at that time.

On the 15th of April following, this committee reported that they "had conferred on the business with a committee of the House of Representatives for that purpose appointed"; whereupon it was "Resolved, That in every case of an amendment to a bill agreed to in one House and dissented to in the other, if either House shall request a conference and appoint a committee for that purpose, and the other House shall also appoint a committee to confer, such committee shall, at a convenient time, be agreed on by their chairman—

This relates to their first meeting—

meet in the conference chamber and state to each other verbally or in writing, as either shall choose, the reasons of their respective Houses for and against the amendment, and confer freely thereon.

I recall the fact, Mr. President, that this morning in debate the Senator from Oklahoma [Mr. OWEN] suggested that they did not want much discussion in the committee of conference, and for that reason they excluded at least one member of the minority. But in establishing this committee of conference in the early days of the Republic, it was distinctly stated that they were to meet and either verbally or in writing express their individual views, with the purpose, of course, of influencing the decision.

I remember very well when William J. McDonald, formerly Chief Clerk in the Senate, sat at that desk. He was a distinguished parliamentarian, as had been his father before him, who had occupied the same position. I have somewhere in my possession a little book that Mr. McDonald prepared and had printed, entitled "Questions of Order, and Decisions Thereon." I notice that the Acting Secretary has it in his hand. In that little book Mr. McDonald laid down this principle:

The importance of providing for the settlement of disagreements between the two Houses caused them thus, at a very early period, to adopt this rule, the object of which was to facilitate and to expedite legislation. The concluding sentence of this rule says that the conferees "shall meet in the conference chamber and state to each other verbally or in writing, as either shall choose, the reasons of their respective Houses for and against the amendment, and confer freely thereon." That is to say, all conferences between the two Houses under this rule shall be free conferences. Not merely that there shall be free discussion in the conference chamber, but that the result of the conference shall be the free judgment of the conferees, and not one prescribed in advance, or in any way anticipated or shaped by the separate action of either House.

I notice in Gilfry's Precedents, "Decisions on points of order," and so forth, there is a mass of information on this subject which it would be well for all of us to read and, so far as possible, retain in our memory. On page 211 attention is called to a statement by the late Speaker Reed, which is to my mind an important contribution to this question:

A conference, as now conducted by legislative bodies in the United States, is what is known as a full and free conference. Speaker Reed, in his Manual of Parliamentary Law, chapter 15, section 242, gives a clear and concise definition, as follows: "A free conference is one where the conferees meet and present not only the reasons of each House, but such arguments and reasons and persuasions as seem suitable to each member of the committee. Instead of being confined to reasons adopted by either House, each member may present his own. A conference may therefore be a free conference, though each House may have instructed its members and limited them to the terms of the agreement. This method of conference is the only one known to our parliamentary law; at least it is the only one now in practice. When two legislative bodies in this country have a conference it is a free conference."

Mr. President, as I said in the beginning, if the Senate has departed from the rule laid down by Speaker Reed, by Mr. McDonald, and by Thomas Jefferson, because that matter is discussed in Jefferson's Manual, and is in the habit of not calling in all the conferees at the initial meeting of the committee of conference, it is an unfortunate condition, and it ought not to be sanctioned.

In the present instance, there were upon the part of the Senate six Democrats and three Republicans on this conference committee. It is just possible, it has been suggested to me, that it might have happened that two of the Democratic members might have joined the three Republican members and controlled that conference committee, so far as the Senate was concerned, on one or two somewhat important points. It is inconceivable to me, from what is laid down in the books and always insisted upon as a full and free conference, that the voice of those three Republican members should have been excluded. It was not such a conference, and, if I had my way, Mr. President, I would add an additional rule to our code of rules, providing that in the meetings of conference committees the entire membership of the committee shall be invited not only to the initial meeting, but to all other meetings of the committee. It is unfair. If the Republicans have practiced it in the past, they did something that they ought not to have done. Our Democratic friends, practicing it on this occasion, did an injustice both to themselves, to the minority on the conference committee, and to the Senate itself.

I submit, Mr. President, that while there is no remedy for what has occurred, I think this debate may be of some use to the Senate if it emphasizes the fact that we have no right to say that a question is a political question when it is submitted to conference. It is in the possession of the committee of conference, and not in the possession of a portion of that committee who can reach conclusions that may correct or not correct and exclude from consideration and conference, because they have the power to do it, the minority members of that committee. I regret it was done in this instance. I apprehend had it been done otherwise the result would have been the same; I apprehend we would have had precisely the same bill before us in the conference report we have now; but it would have saved a great deal of unnecessary friction and would have at least not added another precedent to what I conceive to be an extremely bad practice, because it is in violation of every parliamentary rule that I have ever read on the subject of conference committees.

Mr. WEEKS. Mr. President, the Senator from Illinois [Mr. Lewis], who has just addressed the Senate, is always entertaining, and he is a consistent defender of his party. His motto might well be "My party, right or wrong." What he has said as to the Senator from Michigan [Mr. TOWNSEND] has been replied to by that Senator, and heaven knows I would not think of defending the Senator from Kansas [Mr. BISTOW] in his presence.

The Senator from Illinois, however, is not entirely consistent when he chides the Republican Party for its inaction or its inactivity in connection with banking and currency legislation. Everything that has been done for 50 years to correct or to better our financial system has been done by the Republican Party, and invariably it has been done against the united opposition of the Democratic Party. Every Democrat in Congress voted against the national banking act. Democrats then in Congress or those who are now Democrats were responsible for continuing the greenbacks until they had cost the country, by the estimate of those competent to judge, \$500,000,000 by keeping out a depreciated currency 14 years after it should have been retired.

The Democratic Party—or a large portion of the Democratic Party—were responsible for the doctrine of the free and un-

limited coinage of silver on the basis of 16 to 1, which cost the country inestimable amounts.

The Democratic Party voted unanimously against the establishment of the gold standard in 1900, and voted as unanimously against the passage of the Aldrich-Vreeland bill in 1908.

I have referred to the Aldrich-Vreeland bill before, not that I consider it in any sense a piece of legislation which is technically perfect, but it is on the statute books, and if there had been necessity for its use I believe it would have furnished the country with sufficient currency to have bridged over the kind of a panic that we had in 1907.

All this legislation has been enacted by the Republican Party, and, I repeat, it has been done against the united and insistent opposition of the Democratic Party. So I think it is hardly just to criticize the Republican Party for what it has not done, even if it is admitted that its record is not entirely clear.

In addition to that the Republican Party has been the means, through the Monetary Commission, of agitating this question, of causing it to be publicly discussed, of increasing the public's knowledge of the question to such a degree that this legislation is now possible; and very much of the bill on which we are now going to vote has been taken bodily from the report of the Monetary Commission. So it can hardly be said that that part of the work of the Republican Party has not been justified in the eyes of the opposition.

A Senator on the other side has quoted the chairman of the Committee on Banking and Currency of the other House in regard to conferences or caucuses. I will make the general statement, Mr. President, that there never has been an instance in the history of this Government when all Members appointed by the presiding officers of the respective bodies over which they presided have not taken part in conferences, except on tariff legislation. The tariff is an entirely different matter from the ordinary questions which come before Congress. There are people who talk of taking the tariff entirely out of politics, and yet the tariff is the very essence of division between political parties. There may be some reason—I think, myself, there is some reason—why a tariff conference and a tariff bill should be adopted and passed on by members of the political party which is responsible for the legislation; but that does not apply to legislation of this character.

At the expense of taking a little time, and possibly of reiteration, I want to call the attention of the Senate to just what has been done, because the people of this country, as their opinions are voiced through the press, have said time and again during the last six months that this legislation should be entirely removed from any political complications. Has that been done by the Democratic Party, whether the legislation is good, bad, or indifferent? I say, not at all. In the other House the bill was considered by the Democrats of the Committee on Banking and Currency sitting as a separate body, no Republican member of the committee being admitted for any purpose or reason. The bill was taken directly into the House, where it was reported, and was sent to a Democratic conference. The Democratic conference or caucus reported the bill, and after a day or two of debate the bill was passed as it came from the conference.

That is the history of the bill in the other House, and yet Democrats will say, "What did you do with the Aldrich-Vreeland bill? Did you give more time to debate in the House?" I say no; the time was less when the Aldrich-Vreeland bill came into the House, but the circumstances were entirely different. Congress had been in session six months; there had been a consistent attempt to get legislation through the regular channels and in the ordinary way, and there had been a failure to do so. The session of Congress was approaching its end. It was necessary that legislation should be had, and therefore the usual method of bringing in a rule limiting debate was adopted; but the circumstances were entirely different, as I have said.

This bill came over to the Senate. Has it been considered in the Senate as a nonpartisan proposition? I submit to Senators that it has not been, in any sense. Hearings were given by the entire committee, and I think the hearings were given against the judgment of some of the majority on that committee; but there is no one to-day who questions the value of those hearings. The bill is much better than it was when it came from the other House. The bill, in my judgment, is better to-day than it was when it passed the Senate, although in two or three respects I think it was not improved in conference. It was, however, improved in other respects sufficiently so, it seems to me, that on the whole it is a better bill.

The bill, after having been acted on for some time in the full Committee on Banking and Currency of the Senate, was taken into a Democratic conference, and an agreement was made and action taken which should have been taken after it had been

demonstrated in this body that the bill could not pass without summary caucus action.

What is the result? The result is that we have in this bill some propositions which not even two-thirds, and in two or three cases only a small majority, of the Democrats themselves are in favor of. If every Democrat were voting his own judgment, as every Republican in this body has voted his judgment, several of these propositions would go out of the bill.

The Senator from Illinois chides the Senator from Kansas because he has not voted against his party on all propositions. When more than one Democrat will show the independent spirit which the Senator from Kansas has shown in the past—when one Democrat will do that—then we may properly say that there is some reason for the criticism which the Senator from Illinois has made of the Senator from Kansas.

As a matter of fact, however, Democrats know that some of the propositions which are in this bill were passed in their caucus or their conference by one majority, by three majority, or four majority, or five majority, and that in every one of those cases the Republicans in this body are opposed to the majority of the majority in their caucus action; in other words, if a free and untrammelled vote were taken here, I think that nearly three-fourths of the Members of this body would vote against some of the provisions to be incorporated in the bill. That is the fault of the caucus action.

I am one of those who believes that the majority party is responsible for legislation. In the final analysis there is nothing to do but for the majority to take the bit in its own mouth and go ahead, perfect, and pass legislation. I believe in that; but the majority in this body has not proceeded along those lines. The majority took that course before any debate had been held in the Senate, before determining whether the bill could be improved on the floor of the Senate as it might have been, it has taken that action in an unprecedented way, and I believe that whatever the result of the legislation will be, the country will not approve of the course which it has taken.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. Yes.

Mr. BRISTOW. Mr. President, my name has been heard a good many times in the debate.

Mr. WEEKS. I beg the Senator's pardon for using it.

Mr. BRISTOW. Not at all. My name has been used in connection with some remarks made by the Senator from Illinois [Mr. Lewis], remarks which I thought of but little consequence, and therefore paid no attention to them; but I desire to say, since the Senator from Massachusetts has referred to the matter, that my votes here have been controlled by my judgment as to what were the merits of the particular proposition for which I was voting. I have been interested in what I voted for a great deal more than with whom I voted. Whenever any matter comes up which appeals favorably to my judgment and my conscience I vote for it; I care not whether one man may vote with me or against me if I am voting for what I believe is the right thing.

Mr. WEEKS. Mr. President, just one word about this conference. As I said a moment ago—I think I referred to it—it has been stated that when the Aldrich-Vreeland bill was in conference, Democratic Members of the Senate and of the House were not present during the conference. That statement is based on what was said in a speech made by a gentleman from Virginia last night in the other House. I doubt the propriety of quoting Members of the other body on this floor; but so long as that has been done, I want to say that I was a member of that conference committee, and I remember perfectly what took place. The then Senator from Virginia, Mr. Daniel, was a member of that conference committee and was present. The senior member of that committee in the other House at that time was the gentleman from Louisiana, Mr. Pujo, who was present at the conference. I do not recall that the present chairman of the committee was present, but two members of the minority were and took part in the deliberations of the conference. I remember the incident so clearly that there can not be any doubt about it. I am sure when the gentleman from Virginia looks up the facts, he will find that that is the case, and that the gentleman from Louisiana, who was then the senior minority member of the committee, if he were present would substantiate the statement which I am making.

In this case it is true that the members of the House conference committee wished to act as the representatives of that body, Republicans and Democrats alike, and their doing so was opposed by the Senate Democrats on the conference committee. So the Republican member of the conference committee representing the other House was not permitted to be present, neither

were the three Republican Senators who had been appointed by the presiding officer of this body as a part of the conference. I state once more that in the history of this Government there never has been such an instance except in the consideration of partisan tariff legislation, and it is an entirely unjustifiable course, even if it were supposed that there could not have been obtained an agreement on some matters as promptly as has been the case.

Now, I want to refer for just a moment to the provisions of this bill which I think are distinctly worse than they were when the bill left the Senate. One of them is the provision for collecting checks drawn on member banks. As the bill passed the Senate it provided for the collection of checks drawn on reserve banks and member banks by other reserve banks at par, but it provided that checks drawn on member banks by individuals or corporations or firms should be collected after making a reasonable and suitable charge for the service. It is a fact that a large part of the earnings of banks, especially of country banks, comes from collection and exchange business. One witness from the South before the Banking and Currency Committee stated that of his \$48,000 total earnings, \$20,000 came from this item alone; and it is true that without exception, those who appeared before our committee stated that they believed it right and proper that they should be allowed to continue to enjoy reasonable earnings from this banking process. Under this bill they can not enjoy any earnings whatever from that source, because all checks and drafts drawn on reserve banks by member banks must be collected at par, and provision is made that member banks may collect checks or drafts drawn by individuals or firms, but can only charge the cost of the collection for so doing; in other words, the earnings of every bank in this country, and especially of the country banks, are going to be materially crippled as a result of this provision.

I object, Mr. President, to the provision for the organization of this system. That brings in another political phase which should have been left out of this bill. As it is now, we are going to have this system organized by the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency, if one is ever appointed. That is a political body, pure and simple; and you can not divorce it from politics under any circumstances. The Hitchcock provision of the bill which was brought in here provided that the reserve board should consist of nine, including the Secretary of the Treasury, and that those nine gentlemen should organize this system. That seemed a reasonable method of procedure, because it was to administer the system, and therefore it seemed right that they should organize it. The provision adopted by the Senate was that the Secretary of the Treasury and two members of the reserve board, to be appointed, should constitute the organization committee. That in itself was somewhat worse, I think, than the provision which we brought in; and yet it was distinctly preferable to the provision in the conference report.

I submit to the Senate that the adoption of this method of organizing the board is going to throw a suspicion of political influence around the most important part of the whole system we are establishing. If we are not going to have politics removed from it, if there is going to be a suspicion in the minds of the people of this country that this is going to be a political machine, manipulated by anybody or by any party, then its usefulness will be very largely impaired, if not destroyed, at the very beginning. I can not too strongly enter my protest against this method—and I am fearful that it has been in the minds of those in control from the very beginning that this method should be adopted—of organizing this great non-partisan business system, which should be of the greatest advantage to the people of the country, and will be if properly administered.

Mr. OWEN and Mr. LEWIS addressed the Chair.

The VICE PRESIDENT. The Senator from Oklahoma.

Mr. OWEN. Mr. President, the Democratic members of the conference committee have been criticized very severely for a violation of the precedents in meeting together and dealing unjustly with the minority members of this committee. I think it is only just and fair to say that the precedents justify the action we have taken. That practice was followed in the tariff bill of 1894 as well as in the later tariff bill of 1897. In connection with the tariff bill of 1909, when Senator Daniel complained against the conference committee, Senator Aldrich, giving the reasons why the Republicans met together to adjust their differences between themselves, said:

I think I can safely say that if the committee had followed his suggestion—

That is, that all should meet together—

a year from now would have found us without a bill reported.

And with regard to the facts of the conference of August 2, 1909, Senator Aldrich said:

When the conference upon this bill was appointed I, within an hour, called a meeting of all the managers. I stated to those gentlemen that we expected to proceed in the usual course and that the Republican managers on the part of the Senate and of the House would come to an agreement as to the terms of their report, and that when they had agreed I would call the full conference together and submit it to them, and that that meeting should be held 24 hours, at least, before the bill was reported to Congress.

Mr. President, the House acted on Saturday. The Democratic members of the conference committee on the part of the Senate met and immediately undertook to reconcile their differences with the Democratic conferees of the House. They worked until half past 4 o'clock Monday morning, at which time there was sent to the printer a preliminary draft of the conference report, subject to further correction and consideration before it should be finally completed and submitted. At the same time there was ordered to be printed for the Senate a first edition of this preliminary draft of the report of the committee of conference. In that first report we had reconciled most of the differences between the Democratic members of the conference committee of the Senate and of the House, but had not then completely reconciled all differences.

At 4.30 o'clock on Monday morning the Printing Office was given the data and at 7 o'clock a. m. the copy was prepared and at 1 p. m. the preliminary draft was printed in three parallel columns. As soon as we got the copy from the printers—1 p. m.—we immediately served the Republican members with copies, and explained what work we had done and asked them to go over the items and see to what extent the adjustment of the points of difference was agreeable or objectionable to them. That was about 1 o'clock—some time shortly after 1, to the best of my recollection. Therefore, until 4 o'clock there was about three hours for the Republican members of the conference committee to examine the work which had been done as a preliminary matter by the Democratic members of the conference committee.

The Senator from Ohio was under the impression that there were no changes made after that. He is mistaken about that. In the second edition of the amended bill printed for the use of the conferees—the first print was not a report, but only a preliminary draft—changes were made on pages 4, 5, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 22, 24, 26, 27, 28, and 29. The second edition of that print shows that those changes were made after all the conferees, Democrats and Republicans, had their meeting.

The full meeting of the conferees was called at 4 o'clock, and they were all present, except Senator CRAWFORD, who had gone home. The Republican conferees who for three hours had had the print showing what the Democratic conferees had been able to accomplish, were then invited to express themselves with regard to any of these items, but they felt offended because they had not been taken into consultation in the preliminary work and alleged that they had been treated with some indignity. In point of fact, no indignity whatever was done them or intended to be done. It was believed that we would make time by having the Democratic members come together and reconcile their differences without the interference of their political opponents; and it was expected that the Democrats would stand together as party members and not permit the Republican conferees to control the matter in conference any more than the Democrats had intended or expected to permit the minority members of the Committee on Banking and Currency to control and write this legislation in the Banking and Currency Committee by cooperating with one Democrat.

There is a party obligation resting upon the Democracy. They are in honor bound to deliver to the country a release from the intolerable conditions which have so long prevailed in this country under Republican and plutocratic rule. I am not willing to charge those intolerable conditions to any one party alone. I rather think they have grown up out of commercial and financial conditions for which perhaps no single individual can be held responsible; yet the Democratic Party, in its great desire to improve conditions, made certain great and serious promises to the country and that party can only carry out its pledges to the Nation by cooperating as a party and by strict party organization.

I realize the difficulty of caucus action. I have myself advocated having a stenographer in the conference or caucus of the Democrats, so that there might be complete publicity. We have been repeatedly reproached with secret, underhand caucus action, as if there were a secret possible in a party caucus. Where 50 men gather together there is no possible secrecy. We talk about the secrecy in the Senate in executive session, and yet everybody knows that whatever is done in executive session is announced in the public press the next morning. We have tried from time to time to prevent exposure of that

kind on the theory that the proceedings in executive sessions should be secret. It is a mere farce and a mockery.

Mr. GALLINGER. Mr. President—

Mr. OWEN. I yield to the Senator.

Mr. GALLINGER. Just one question. I noticed that the Senator from Oklahoma said that the Democratic members did not propose to permit the Republican members of the conference committee to control the action of the conferees. Now, I will ask the Senator this question: Supposing those three Republican members held the same views that two of the Democratic members did on the matter of insuring deposits, does not the Senator think that those five men in that conference ought to have had their way on that particular point?

Mr. OWEN. I will say to the Senator that the six members of the conference committee representing the Senate were in favor of the matter to which the Senator refers, but the House absolutely refused to agree. I will say further to the Senator, answering the spirit of his question, that if there were two Democrats on the conference committee representing the Democrats of the Senate I would regard it as party perfidy on the part of one of them to vote with the Republicans to turn down his colleagues.

Mr. GALLINGER. Then a conference is of no consequence at all, if its members are not to be permitted to express their views and vote their views. I have always supposed the rule to be that it is necessary to have a majority of the conferees of each House to agree upon a report, and I had always supposed, if three Republicans chanced to agree with three Democrats in a conference committee of nine, that they ought to have their way.

Mr. OWEN. I do not understand that to be the practice; I do not think that is the practice in a matter of this kind. It may be true with regard to some immaterial matters, but not in the case of a great bill of this kind, which has been made a matter of party action by the Republicans as well as by the Democrats, because the Republicans all lined up practically unanimously against it in the Senate, as well as in the committee. They stood together in the committee as a solid phalanx and made it a political matter by their own action. In the first case the chairman of the committee attempted to prevent this matter being treated in a partisan way and thought it was possible to do so, but he found it was impossible to do it; and when he ascertained that to be a fact, he did the only thing remaining for him to do—he treated it as a party matter. He was completely justified in doing so, because there was no other way in which to get adequate results and to represent the sentiment of the Democratic Party in this country.

Mr. GALLINGER. Mr. President, let me make this suggestion: The Senate passed upon certain very important matters that have been eliminated from the bill as it comes from the conference. Suppose that three Republican Senators and two Democrats on that conference committee had stood for that provision which the Senate put in, does not the Senator think that they ought to have had that privilege?

Mr. OWEN. They might in that contingency have referred the matter back to the Senate again, but the representatives of the party in power should act together and not permit the representatives of the minority to divide their councils.

Mr. GALLINGER. Oh, well, I do not see why they should have done that.

Mr. OWEN. They should because the House refused to agree to the matter to which the Senator is referring, and if the Senate conferees did not yield, there remained nothing but a disagreement reported back to the Senate.

Mr. GALLINGER. Of course, then, a disagreement would have to have been reported, which is a very common thing in connection with conference reports.

Mr. OWEN. However we may argue this matter and indulge in rhetoric and in suggestions for and against across the aisle, I think it at last comes down to the question that under our present form of government, where we are moving under party organizations, there is no escape from party responsibility and the plain common-sense duty of the party to act through its organization in the management of matters for which the party feels a party responsibility. The Republicans have done that in the past and the Democrats are doing it now. I hope to see the day come when that may be obviated, and that day will come when Senators stand on this floor and represent in truth nothing but the wishes and the desires and the welfare of the people of this country; and it never will come until then.

Mr. GALLINGER. And the Senator thinks he is the only one who does that, I presume.

The VICE PRESIDENT. The hour of 2 o'clock and 30 minutes having arrived, the question is, Shall the Senate agree to the report of the committee of conference?

Mr. NELSON. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GALLINGER (when Mr. BURLEIGH's name was called). The junior Senator from Maine [Mr. BURLEIGH] is detained from the Senate on account of illness.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER] which I transfer to the junior Senator from New Jersey [Mr. HUGHES] and will vote. I vote "yea."

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON], but under the terms of it I am allowed to vote on the final passage of the bill and the conference report. I therefore vote "yea."

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE]. That Senator is absent because of severe illness. In his absence I withhold my vote. If he were present, and if I were at liberty to vote, I should vote "nay."

Mr. SHEPPARD (when Mr. CULBERSON's name was called). I wish to announce the necessary absence of my colleague, the senior Senator from Texas [Mr. CULBERSON]. He is paired with the senior Senator from Delaware [Mr. DU PONT]. If my colleague were present, he would vote "yea."

Mr. BRYAN (when Mr. FLETCHER's name was called). My colleague [Mr. FLETCHER] is absent. He is paired with the junior Senator from Wyoming [Mr. WARREN]. If he were present, he would vote "yea."

Mr. MARTINE of New Jersey (when Mr. HUGHES's name was called). My colleague [Mr. HUGHES] is out of the city on official business.

Mr. LEA (when his name was called). I have a general pair with the senior Senator from South Dakota [Mr. CRAWFORD], but as he voted for the bill I feel at liberty to vote on this roll call. I vote "yea."

Mr. WEEKS (when Mr. LODGE's name was called). Although I have done so before to-day, I wish to announce that my colleague [Mr. LODGE] is absent on account of illness, and that he has a general pair with the junior Senator from Georgia [Mr. SMITH].

Mr. MYERS (when his name was called). I am paired with the junior Senator from Connecticut [Mr. McLEAN]. In his absence I withhold my vote, unless it should prove necessary in order to constitute a quorum. If at liberty to vote, I should vote "yea."

Mr. REED (when his name was called). I have a pair with the senior Senator from Michigan [Mr. SMITH]. I transfer that pair to the senior Senator from Louisiana [Mr. THORNTON] and will vote. I vote "yea."

At this time I desire to announce that my colleague [Mr. STONE] is unable to attend the Senate. He is confined to his room by illness, which has lasted now for several days. If he were present and at liberty to vote, he would vote "yea." In his absence he is paired with the senior Senator from Wyoming [Mr. CLARK].

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT], and in his absence withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WILLIAMS (when Mr. SHIELDS's name was called). I am requested to announce the necessary absence from the Chamber of the junior Senator from Tennessee [Mr. SHIELDS], on account of illness.

Mr. SMITH of Arizona (when his name was called). I have before me a telegram from my pair, the senior Senator from New Mexico [Mr. FALL], in which he says that I am released from the pair on the final vote; and he wishes me further to announce that if he were present he would vote for this bill on its final passage. I vote "yea."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. I transfer that pair to the senior Senator from South Carolina [Mr. TILLMAN] and will vote. I vote "yea."

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). As has been stated by the junior Senator from Missouri [Mr. REED], the senior Senator from Michigan [Mr. SMITH] is paired with the junior Senator from Missouri. If my colleague were present, he would vote "nay."

Mr. SUTHERLAND (when his name was called). I am paired with the senior Senator from Arkansas [Mr. CLARKE], who, I understand, is absent. I transfer my pair to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "nay."

Mr. RANDELL (when Mr. THORNTON's name was called). The senior Senator from Louisiana [Mr. THORNTON] is unavoidably absent. He has a general pair with the junior Senator from South Dakota [Mr. STERLING]. If present, he would vote "yea."

Mr. WARREN (when his name was called). I am paired with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

The roll call having been concluded, the result was announced—yeas 43, nays 25, as follows:

YEAS—43.

Ashurst	Jones	Owen	Smith, Ariz.
Bacon	Kern	Pittman	Smith, Ga.
Bankhead	Lane	Pointexter	Smith, Md.
Bryan	Lea	Pomerene	Smith, S. C.
Chamberlain	Lewis	Ransdell	Swanson
Chilton	Martin, Va.	Reed	Thomas
Goe	Martine, N. J.	Robinson	Thompson
Hitchcock	Newlands	Shafroth	Vardaman
Hollis	Norris	Sheppard	Weeks
James	O'Gorman	Shively	Williams
Johnson	Overman	Simmons	

NAYS—25.

Borah	Clapp	McCumber	Sutherland
Bradley	Dillingham	Nelson	Townsend
Brady	Gallinger	Page	Warren
Brandegee	Goff	Perkins	Works
Bristow	Gronna	Root	
Burton	Kenyon	Sherman	
Catron	La Follette	Smoot	

NOT VOTING—27.

Burleigh	du Pont	McLean	Stephenson
Clark, Wyo.	Fall	Myers	Sterling
Clarke, Ark.	Fletcher	Oliver	Stone
Cott	Hughes	Penrose	Thornton
Crawford	Jackson	Saulsbury	Tillman
Culbertson	Lippitt	Shields	Walsh
Cummins	Lodge	Smith, Mich.	

So the report of the committee of conference was agreed to.

COMPENSATION FOR INJURIES TO WORKMEN (S. DOC. NO. 336).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Labor, transmitting, in response to a resolution of the 22d instant, a report of the Commissioner of Labor Statistics in regard to the laws of the various States and the United States and of foreign countries providing systems of compensation for injuries to workers in their employment, which, with the accompanying papers, was referred to the Committee on Education and Labor and ordered to be printed.

NAVAL SUPPLY SHIP.

Mr. WEEKS presented resolutions passed by the Board of Aldermen of Melrose; of the Chamber of Commerce of Worcester; of the Board of Selectmen of Revere; and of Local Lodge No. 471, International Association of Machinists, of Lynn, all in the State of Massachusetts, favoring the construction of the proposed naval supply ship at the Boston Navy Yard, which were referred to the Committee on Naval Affairs.

BANKING AND CURRENCY.

Mr. OWEN. I have received two telegrams, one from the National Bank of Commerce, of Shawnee, Okla., and the other from the president of the Third National Bank of St. Louis, Mo., which I ask may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HON. ROBERT L. OWEN,
Shawnee, Okla., December 23, 1913.
Washington, D. C.:

We congratulate you upon the masterful manner in which you have handled the currency bill and its passage. We heartily endorse the bill, and desire to join the system. Am wiring the comptroller to-day our application.

NATIONAL BANK OF COMMERCE.

—
St. Louis, Mo., December 23, 1913.
HON. ROBERT L. OWEN,
Washington, D. C.:

Congratulations on passage of banking and currency bill. The Third National Bank of St. Louis will enter and assist in any way possible the organization and operation of the new system.

F. O. WATTS,
President Third National Bank of St. Louis.
FEDERAL RESERVE ACT.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the concurrent resolution of the Senate No. 12, providing for the printing of extra copies of the Federal reserve act, which were, in line 3, to

strike out "eighty" and insert "eighty-five," and, in line 4, to strike out "thirty" and insert "forty."

Mr. OWEN. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

HOLIDAY RECESS.

Mr. MARTIN of Virginia. From the Committee on Appropriations I report back favorably without amendment the concurrent resolution of the House (H. Con. Res. 26) providing for a holiday recess, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Senator from Virginia asks unanimous consent for the present consideration of the resolution, which will be read.

The Secretary read the resolution; and there being no objection, the Senate proceeded to its consideration.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

BRIDGE ACROSS BAYOU BARTHOLOMEW.

Mr. SHEPPARD. From the Committee on Commerce, I report back favorably, without amendment, the bill (H. R. 8142) to authorize the construction, maintenance, and operation of a bridge across the Bayou Bartholomew at or near Wilmot, Ark., and I ask for its present consideration.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

Mr. CLARK of Wyoming. I simply wish to ask the Senator when this bill reached the Senate?

Mr. SHEPPARD. It reached the Senate on yesterday.

The bill was reported to the Senate without amendment, ordered to a third reading, was read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS:

A bill (S. 3867) to found and maintain a mutual insurance fund for depositors in national banks, to be kept available in the United States Treasury and to be administered by a bureau in the Treasury Department, organized and regulated for that purpose; to the Committee on Banking and Currency.

By Mr. ROBINSON:

A bill (S. 3868) to make more efficient Indian administration, and for other purposes; to the Committee on Indian Affairs.

By Mr. POINDEXTER:

A bill (S. 3869) to amend the military record of John Morrow; to the Committee on Military Affairs.

A bill (S. 3870) granting a pension to Clara A. Brown;

A bill (S. 3871) granting a pension to John Leonard; and

A bill (S. 3872) granting a pension to Emanuel Johns; to the Committee on Pensions.

By Mr. RANDELL:

A bill (S. 3873) to prevent and punish the desecration, mutilation, or improper use of the flag of the United States of America; to the Committee on the Judiciary.

By Mr. SHIVELY:

A bill (S. 3874) to place on the retired list of the Army the names of the surviving officers who were mustered out under the provisions of the act of Congress approved July 15, 1870, in reduction of the Army; to the Committee on Military Affairs.

TRADE IN CHINA.

Mr. POMERENE. I introduce a joint resolution and ask that it be referred to the Committee on Commerce, and, for the information of the Senate, I ask that it may be printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 94) to authorize the Secretary of Commerce to investigate the condition of trade in China for the purpose of determining the desirability of establishing there a permanent exposition of the products of the United States of America was read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it resolved, etc., That the Secretary of Commerce is hereby authorized to investigate, by a commission of not more than three qualified persons, the condition of our trade with China, for the purpose of determining upon ways and means for its expansion and to particularly determine whether or not it would be desirable for the United States of America to establish and maintain there at some convenient commercial center a permanent exposition of the products of the field and industries of the United States on terms which might make the exposition self-sustaining when established.

SEC. 2. For the purposes aforesaid there is hereby appropriated and made available in the hands of said Secretary from money otherwise unappropriated in the Treasury of the United States of America the sum of \$20,000.

ACCOUNTS OF AUDITOR FOR DISTRICT SUPREME COURT.

Mr. MARTINE of New Jersey submitted the following resolution (S. Res. 239), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Attorney General be, and hereby is, directed to secure, as far as possible, a report on the receipts and disbursements of all moneys received by the auditor for the Supreme Court of the District of Columbia since his incumbency in office.

That he shall assemble and transmit all data pertaining to the receipts and disbursements pertaining to his office, under oath, for use of the Senate, not later than January 12, 1914.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes, and it was thereupon signed by the Vice President.

ADDRESS BY J. G. SCHMIDLAPP.

Mr. BURTON. I have a copy of an address delivered by Mr. J. G. Schmidlapp at a joint meeting of the Optimists' Club and the Commercial Club of Cincinnati, Ohio, giving some impressions of the economic conditions in Germany. I desire to have the address printed as a public document, and I ask that it be referred to the Committee on Printing for their consideration.

The VICE PRESIDENT. If there be no objection, that action will be taken.

INTERNATIONAL MONETARY CONFERENCE.

Mr. THOMAS. I desire to give notice that on January 12, 1914, after the routine morning business, I shall address the Senate on the joint resolution (S. J. Res. 89) proposing the appointment of five delegates to an international monetary conference, and making an appropriation therefor.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 15 minutes spent in executive session the doors were reopened.

DEATH OF REPRESENTATIVE PEPPER, OF IOWA.

The VICE PRESIDENT. The Chair lays before the Senate resolutions of the House of Representatives, which will be read.

The Secretary read the resolutions (H. Res. 359), as follows:

IN THE HOUSE OF REPRESENTATIVES, December 22, 1913.

Resolved, That the House has heard with profound sorrow of the death of Hon. I. S. PEPPER, a Representative from the State of Iowa;

Resolved, That a committee of 18 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral;

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House;

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. KENYON. Mr. President, I offer the resolutions which I send to the desk and ask for their present consideration.

The resolutions (S. Res. 240) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with deep sorrow the announcement of the death of Hon. IRVIN ST. CLAIR PEPPER, late a Representative in Congress from the State of Iowa.

Resolved, That a committee of eight Senators be appointed by the Vice President to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT appointed under the second resolution as the committee on the part of the Senate Mr. KENYON, Mr. CUMMINS, Mr. BRADY, Mr. JONES, Mr. REED, Mr. LEWIS, Mr. THOMAS, and Mr. THOMPSON.

Mr. KENYON. Mr. President, I desire to give notice that at some future day I shall ask the Senate to consider resolutions on the life and public services of Representative PEPPER.

The VICE PRESIDENT. The notice will be entered.

Mr. KENYON. I move, as a further mark of respect to the memory of the deceased, that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 4 o'clock p. m.) the Senate adjourned, the adjournment being, under the concurrent resolution of the two Houses, until Monday, January 12, 1914, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate December 23, 1913.

SECRETARIES OF EMBASSIES.

Fred Morris Dearing, of Missouri, now secretary of the legation at Brussels, to be secretary of the embassy of the United States of America at Madrid, Spain, vice Gustave Scholle, nominated to be secretary of the legation at Habana.

Arthur Mason Jones, of New York, now secretary of the legation at Managua, to be second secretary of the embassy of the United States of America at St. Petersburg, Russia, vice Frederick A. Sterling, nominated to be second secretary of the legation at Peking.

Henry Coleman May, of the District of Columbia, lately secretary of the legation at Stockholm, to be second secretary of the embassy of the United States of America at Tokyo, Japan, vice Ralph B. Strassburger.

Arthur Hugh Frazier, of Pennsylvania, now second secretary of the embassy at Vienna, to be second secretary of the embassy of the United States of America at Paris, France, vice Sheldon Whitehouse, nominated to be secretary of the legation at Managua.

Thomas Hinckley, of the District of Columbia, now secretary of the legation and consul general at San Salvador, to be second secretary of the embassy of the United States of America at Vienna, Austria, vice Arthur Hugh Frazier, nominated to be second secretary of the embassy at Paris.

George T. Summerlin, of Louisiana, now second secretary of the legation at Peking, to be second secretary of the embassy of the United States of America at Berlin, Germany, vice William Spencer, nominated to be secretary of the legation at Caracas.

SECRETARIES OF LEGATIONS.

James G. Bailey, of Kentucky, now secretary of the legation to the Netherlands and Luxemburg, to be secretary of the legation of the United States of America at Lisbon, Portugal, vice William Whiting Andrews, nominated to be secretary of the legation at Berne.

Francis Munroe Endicott, of Massachusetts, now secretary of the legation at Christiania, to be secretary of the legation of the United States of America at San Jose, Costa Rica, vice M. Marshall Langhorne, nominated to be secretary of the legation to the Netherlands and Luxemburg.

Hugh S. Gibson, of California, now secretary of the legation at Habana, to be secretary of the legation of the United States of America at Brussels, Belgium, vice Fred Morris Dearing, nominated to be secretary of the embassy at Madrid.

Franklin Mott Gunther, of Virginia, now second secretary of the embassy at Rio de Janeiro, to be secretary of the legation of the United States of America at Christiania, Norway, vice Francis Munroe Endicott, nominated to be secretary of the legation at San Jose.

M. Marshall Langhorne, of Virginia, now secretary of the legation at San Jose, to be secretary of the legation of the United States of America to the Netherlands and Luxemburg, vice James G. Bailey, nominated to be secretary of the legation at Lisbon.

Gustave Scholle, of Minnesota, now secretary of the legation at Madrid, to be secretary of the legation of the United States of America at Habana, Cuba, vice Hugh S. Gibson, nominated to be secretary of the legation at Brussels.

Willing Spencer, of Pennsylvania, now second secretary of the embassy at Berlin, to be secretary of the legation of the United States of America at Caracas, Venezuela, vice Henry F. Tennant, nominated to be secretary of the legation and consul general at San Salvador.

William Whiting Andrews, of Ohio, now secretary of the legation at Lisbon, to be secretary of the legation of the United States of America at Berne, Switzerland, vice William Walker Smith, appointed secretary of the legation and consul general at Santo Domingo.

Sheldon Whitehouse, of New York, now second secretary of the embassy at Paris, to be secretary of the legation of the United States of America at Managua, Nicaragua, vice Arthur Mason Jones, nominated to be second secretary of the embassy at St. Petersburg.

Frederick A. Sterling, of Texas, now second secretary of the embassy at St. Petersburg, to be second secretary of the legation of the United States of America at Peking, China, vice George T. Summerlin, nominated to be second secretary of the embassy at Berlin.

Henry F. Tennant, of New York, now secretary of the legation at Caracas, to be secretary of the legation and consul general of the United States of America at San Salvador, Salvador, vice Thomas Hinckley, nominated to be second secretary of the embassy at Vienna.

INTERSTATE COMMERCE COMMISSIONER.

Judson C. Clements, of Georgia, to be an Interstate Commerce Commissioner for a term of seven years from January 1, 1914. (Reappointment.)

UNITED STATES ATTORNEY.

Stuart W. Walker, of West Virginia, to be United States attorney for the northern district of West Virginia, vice H. Roy Waugh, whose term will expire January 5, 1914.

POSTMASTER.

VIRGINIA.

James A. Lawson to be postmaster at Danville, Va., in place of Frank D. Lumpkin. Incumbent's commission expired December 14, 1912.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 23, 1913.

INTERSTATE COMMERCE COMMISSIONER.

Judson C. Clements to be an Interstate Commerce Commissioner.

COLLECTOR OF INTERNAL REVENUE.

Fred C. Kirkendall to be collector of internal revenue for the ninth district of Pennsylvania.

RECEIVER OF PUBLIC MONEYS.

H. Clay Sharkey to be receiver of public moneys at Jackson, Miss.

REGISTER OF THE LAND OFFICE.

William F. Cummins to be register of the land office at Jackson, Miss.

UNITED STATES ATTORNEY.

Stuart W. Walker to be United States attorney for the northern district of West Virginia.

UNITED STATES MARSHALS.

W. T. Dortch to be United States marshal for the eastern district of North Carolina.

Charles A. Webb to be United States marshal for the western district of North Carolina.

POSTMASTERS.

ARIZONA.

A. T. Pancrazi, Yuma.

KANSAS.

R. E. Stotts, Garden City.

MISSISSIPPI.

Thomas P. Barr, Jackson.

MISSOURI.

Robert H. Williams, Louisiana.

NEW MEXICO.

L. Pascual Martinez, Taos.

NORTH CAROLINA.

Louis G. Daniels, Newbern.

R. S. Montgomery, Reidsville.

John R. Swann, Marshall.

OHIO.

Homer Gard, Hamilton.

George B. Snyder, Youngstown.

HOUSE OF REPRESENTATIVES.

TUESDAY, December 23, 1913.

The House met at 2.30 o'clock p. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, for the star which guided the Magi to the little Child cradled in His mother's arms in the stable of an inn, whose advent had been heralded by the angelic host praising God and saying, "Glory to God in the highest, and on earth peace, good will toward men"; a star prognostic of that light which the little Child subsequently gave to the world in a heavenly Father which has been slowly solidifying the race into one family; the Child who, as the carpenter's son, dignified honest toil and illustrated in His sublime life and character the possibility of perfected manhood and brought to light life and immortality. We thank Thee for the Christmas-tide which awakens the better angels of our nature and thrills the world anew with the angelic chorus. Grant, O most merciful Father, that it may sound on till every battleship and implement of war shall be beaten into plowshares and pruning hooks and nations shall have learned the art of living together in

peace; that Thy kingdom may come and Thy will be done through the love which came into the world nineteen hundred years ago. Take us to our several homes full of the Christmas spirit, that we may carry light to those who sit in darkness, cheer to those who are disconsolate, hope to those who are in despair, help to the poor and needy, the widow, the orphan, and those down and out; that we may feast our souls on the good we have contributed to others. In the Christ spirit. Amen.

The Journal of the proceedings of yesterday was read and approved.

RECESS.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that the House stand in recess until 3 o'clock.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the House stand in recess until 3 o'clock. Is there objection? [After a pause.] The Chair hears none, and consequently the House is in recess until 3 o'clock.

AFTER RECESS.

The recess having expired, the House was called to order by the Speaker.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 7837. An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

THE CURRENCY.

Mr. GRAY. Mr. Speaker, while I am now and always have been opposed to the national-bank currency system, I do not believe that there is any foundation for the sudden face about of the Wall Street bankers and their charge that this currency is inflexible, inelastic, cumbersome, unworkable, and incapable of adaptation to meet the varying demands of business. I do not accept this sudden cry of alarm and the danger from the national-bank currency coming from the special financial interests as made in good faith or for a sincere purpose. I do not believe our national-bank currency is of itself dangerous and fruitful of disaster. I do not believe that this system, which only but yesterday was lauded by these same men as the best system in the world, has undergone this sudden transformation and become to-day the worst system in the world. I do not believe that this system which has stood for a half century without disclosing the dire effects now charged against it has developed in the twinkling of an eye an inherent danger and a menace to business.

I am convinced that this sudden change of front, this attack upon the national-bank currency, begun in 1906, and the panic of 1907 following that attack, were all in pursuance of a deliberate plan and conspiracy to discredit the national-bank currency that there might be reared upon its ruins a central autocratic bank under private control, and were made to create public opinion to sustain and secure the passage of the Aldrich currency bill.

I want it understood that I give no credit to these charges. I am not opposing the national-bank currency upon these grounds, but upon the grounds that the issue of public currency, the control of its volume, and the direction of its distribution among the people are vital public functions, directly affecting the general welfare and prosperity, and as such should be exercised only by the people themselves through the instrumentality of government.

This is a supreme moment to the people of this Nation. It is the only time within a half century when it has been possible to restore to them the control of their money. Heretofore all attempts at such restoration have been opposed and defeated by the adroit claim that the national-bank currency was the soundest, most stable, and the best in the world; but now the breastworks of the money power has been thrown down for an assault upon the many small and dependent bankers—to wrest from them the right to issue and control the volume of money and to concentrate such power in the hands